

Town of Haynesville
Haynesville, Louisiana

Annual Financial Statements
with Independent Auditor's Report

As of and For the Year Ended
June 30, 2021
with Supplemental Information Schedules

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Contents

	Statement	Page
Independent Auditor's Report		4 - 6
Basic Financial Statements		
Government-Wide Financial Statements:		
Statement of Net Position	A	9
Statement of Activities	B	10
Fund Financial Statements		
Governmental Funds		
Balance Sheet	C	12
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	D	13
Statement of Revenues, Expenditures, and Changes in Fund Balance	E	14
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	F	15
Proprietary Funds		
Statement of Net Position	G	16
Statement of Revenues, Expenses, and Changes in Fund Net Position	H	17
Statement of Cash Flows	I	18
Notes to the Financial Statements		20 - 44

Town of Haynesville
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As of and For the Year Ended June 30, 2021
with Supplemental Information Schedules

	Schedule	Page
Required Supplementary Information		
Budgetary Comparison Schedule		
General Fund	1a	46
Sales Tax Fund	1b	47
Recreation District - Wards 2 & 3	1c	48
Schedule of Employer's Share of Net Pension Liability - MERS	2a	49
Schedule of Employer's Share of Net Pension Liability - MPERS	2b	50
Schedule of Employer Contributions - MERS	3a	51
Schedule of Employer Contributions - MPERS	3b	52
Independent Auditor's Report on Internal Control and on Compliance and Other Matters		
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards		53 - 54
Supplemental Information Schedules		
Schedule of Findings and Questioned Costs	4	56
Schedule of Compensation Paid Councilpersons	5	57
Schedule of Compensation, Benefits, and Other Payments to Agency Head	6	58
Schedule of Justice System Funding Collecting/Disbursing Entity	7	59 - 60
Independent Accountant's Report on Applying Agreed-Upon Procedures LCDBG Public Facilities Program, Streets Improvements (Contract 2000425405)		61 - 62
Schedule of Net Position LCDBG Public Facilities Program, Streets Improvements (Contract 2000425405)	7	63
Schedule of Revenues, Expenses, and Changes in Net Position LCDBG Public Facilities Program, Streets Improvements (Contract 2000425405)	8	64



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Independent Auditor's Report

Town of Haynesville
Haynesville, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, and each major fund of the Town of Haynesville, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Haynesville's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, and each major fund of the Town of Haynesville, as of June 30, 2021, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, as listed in the table of contents, 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.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Haynesville's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head and the Schedule of Compensation Paid Councilpersons are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Compensation, Benefits, and Other Payments to Agency Head and the Schedule of Compensation Paid Councilpersons are the responsibility of management and was derived from and relates 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 Schedule of Compensation, Benefits, and Other Payments to Agency Head and the Schedule of Compensation Paid Councilpersons 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 March 28, 2022 on our consideration of the Town of Haynesville'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 of Haynesville's internal control over financial reporting and compliance.

Kenneth D. Felder & Co., CPAs

Jonesboro, Louisiana
March 28, 2022

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

Town of Haynesville
Haynesville, Louisiana

Statement of Net Position
As of June 30, 2021

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and equivalents	\$ 325,147	\$ 23,805	\$ 348,952
Investments	-	150,068	150,068
Accounts receivable	129,688	67,057	196,745
Cash and equivalents - restricted	-	24,565	24,565
Investments - restricted	-	51,187	51,187
Capital assets (net of accumulated depreciation)	2,465,465	2,116,415	4,581,880
Total Assets	<u>2,920,300</u>	<u>2,433,097</u>	<u>5,353,397</u>
Deferred Outflows of Resources			
Pension	346,947	131,061	478,008
Total Deferred Outflows of Resources	<u>346,947</u>	<u>131,061</u>	<u>478,008</u>
Liabilities			
Accounts payable	117,689	57,990	175,679
Payroll liabilities	16,460	7,203	23,663
Customer meter deposits	-	143,042	143,042
Long-term liabilities	1,170,059	560,961	1,731,020
Total Liabilities	<u>1,304,208</u>	<u>769,196</u>	<u>2,073,404</u>
Deferred Inflows of Resources			
Pension	234,109	77,839	311,948
Total Deferred Inflows of Resources	<u>234,109</u>	<u>77,839</u>	<u>311,948</u>
Net Position			
Net investment in capital assets	2,465,465	2,116,415	4,581,880
Unrestricted	(736,536)	(399,294)	(1,135,830)
Total Net Position	<u>\$ 1,728,929</u>	<u>\$ 1,717,121</u>	<u>\$ 3,446,050</u>

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

Town of Haynesville
Haynesville, Louisiana

Statement of Activities
For the Year Ended June 30, 2021

Expenses	Major Funds			Net (Expense) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<u>Functions/Programs</u>						
Primary government						
Governmental activities						
General government	\$ 601,977	\$ -	\$ 2,500	\$ -	\$ -	\$ (599,477)
Police	517,452	116,801	-	-	-	(400,651)
Highways and streets	403,454	-	180,860	-	-	(222,594)
Parks and recreation	157,711	2,721	-	-	-	(154,990)
Other departments	8,670	-	-	-	-	(8,670)
Total governmental activities	<u>1,689,264</u>	<u>119,522</u>	<u>183,360</u>	<u>(1,386,382)</u>	<u>-</u>	<u>(1,386,382)</u>
Business-type activities						
Water and sewer	<u>1,043,210</u>	<u>816,997</u>	<u>17,683</u>	<u>10,121</u>	<u>-</u>	<u>(198,409)</u>
Total primary government	<u>\$ 2,732,474</u>	<u>\$ 936,519</u>	<u>\$ 201,043</u>	<u>\$ 10,121</u>	<u>(1,386,382)</u>	<u>(1,584,791)</u>
<u>General Revenues</u>						
Taxes:						
Property taxes, levied for general purposes						321,379
Sales taxes						617,865
Franchise taxes						77,361
Other taxes						2,435
Licenses						97,157
Intergovernmental						75,735
Investment earnings					2,134	5,166
Rental income					-	15,342
Other revenue					13,904	89,473
Operating transfers					(8,057)	-
Total general revenues and transfers					<u>1,293,932</u>	<u>1,301,913</u>
Change in net position					<u>(92,450)</u>	<u>(282,878)</u>
Net position - June 30, 2020					<u>1,821,380</u>	<u>3,728,929</u>
Net position - June 30, 2021					<u>\$ 1,728,930</u>	<u>\$ 3,446,051</u>

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

FUND FINANCIAL STATEMENTS

Town of Haynesville
Haynesville, Louisiana

Balance Sheet - Governmental Funds
As of June 30, 2021

	Major Funds			Total
	General Fund	Sales Tax Fund	Recreation District Wards 2 & 3	
Assets				
Cash and equivalents	\$ 95,958	\$ 113,876	\$ 115,314	\$ 325,148
Accounts receivable	58,371	69,986	1,331	129,688
Total Assets	<u>\$ 154,329</u>	<u>\$ 183,862</u>	<u>\$ 116,645</u>	<u>\$ 454,836</u>
Liabilities & Fund Balances				
Liabilities:				
Accounts payable	\$ 62,210	\$ 42,553	\$ 12,926	\$ 117,689
Payroll liabilities	13,337	-	3,123	16,460
Total Liabilities	<u>75,547</u>	<u>42,553</u>	<u>16,049</u>	<u>134,149</u>
Fund balances:				
Assigned, reported in:				
Special revenue fund	-	141,309	100,596	241,905
Unassigned	78,782	-	-	78,782
Total Fund Balances	<u>78,782</u>	<u>141,309</u>	<u>100,596</u>	<u>320,687</u>
Total Liabilities and Fund Balances	<u>\$ 154,329</u>	<u>\$ 183,862</u>	<u>\$ 116,645</u>	<u>\$ 454,836</u>

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

Town of Haynesville
Haynesville, Louisiana

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

Total Fund Balances at June 30, 2021 - Governmental Funds (Statement C)	\$	320,687
Total Net Position reported for governmental activities in the Statement of Net Position (Statement A) are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds, net of depreciation.		2,465,465
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Net pension liability \$1,153,880		
Compensated absences \$16,179		(1,170,059)
Deferred outflows of resources		346,947
Deferred inflows of resources		(234,109)
		(234,109)
Net Position at June 30, 2021	\$	1,728,931

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

Town of Haynesville
Haynesville, Louisiana

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

	Major Funds			Total
	General Fund	Sales Tax Fund	Recreation District Wards 2 & 3	
Revenues				
Taxes:				
Ad valorem tax	\$ 120,979	\$ -	\$ 200,400	\$ 321,379
Franchise tax	77,361	-	-	77,361
Sales tax	-	617,865	-	617,865
Other tax	2,435	-	-	2,435
Licenses and permits	97,157	-	-	97,157
Operating grant	183,360	-	-	183,360
Intergovernmental	75,735	-	-	75,735
Fines, forfeitures, and court costs	107,951	-	-	107,951
Rent, royalty, and commission	15,342	-	-	15,342
Charges for services	8,850	-	2,721	11,571
Miscellaneous	50,084	-	-	50,084
Total revenues	<u>739,254</u>	<u>617,865</u>	<u>203,121</u>	<u>1,560,240</u>
Expenditures				
Current:				
General government	232,028	201,198	-	433,226
Public safety				
Police	464,652	-	-	464,652
Streets	393,584	-	-	393,584
Parks and recreation	-	-	125,721	125,721
Other departments	8,670	-	-	8,670
Capital outlay	81,650	-	-	81,650
Total expenditures	<u>1,180,584</u>	<u>201,198</u>	<u>125,721</u>	<u>1,507,503</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(441,330)</u>	<u>416,667</u>	<u>77,400</u>	<u>52,737</u>
Other financing sources (uses)				
Interest earnings	2,540	107	384	3,031
Operating transfers	396,357	(388,300)	-	8,057
Total other financing sources (uses)	<u>398,897</u>	<u>(388,193)</u>	<u>384</u>	<u>11,088</u>
Net changes in fund balances	<u>(42,433)</u>	<u>28,474</u>	<u>77,784</u>	<u>63,825</u>
Fund balances - June 30, 2020	<u>121,215</u>	<u>112,834</u>	<u>22,811</u>	<u>256,860</u>
Fund balances - June 30, 2021	<u>\$ 78,782</u>	<u>\$ 141,308</u>	<u>\$ 100,595</u>	<u>\$ 320,685</u>

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

Town of Haynesville
Haynesville, Louisiana

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

Total net change in Fund Balances - Governmental Funds (Statement E)	\$	63,825
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Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets capitalized over their estimated useful lives as depreciation expense. This is the amount by which capital outlay differs from depreciation for the period.

Depreciation		(137,534)
Capital outlay		81,650
Compensated absence expense decrease (increase)		3,088
Net pension liability decrease (increase)		<u>(103,478)</u>
Change in net position of governmental activities (Statement B)	\$	<u><u>(92,449)</u></u>

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

Town of Haynesville
Haynesville, Louisiana

Statement of Net Position - Proprietary Fund
As of June 30, 2021

	Proprietary Fund - Enterprise Funds		Total
	Sewer Fund	Utility Fund	
Assets			
Current Assets:			
Cash and equivalents	\$ 20,128	\$ 3,676	\$ 23,804
Investments	150,068	-	150,068
Accounts receivable	17,641	49,416	67,057
Total Current Assets	<u>187,837</u>	<u>53,092</u>	<u>240,929</u>
Noncurrent Assets:			
Cash and equivalents - restricted	-	24,565	24,565
Investments - restricted	-	51,187	51,187
Capital assets (net of accumulated depreciation)	1,643,879	472,536	2,116,415
Total Noncurrent Assets	<u>1,643,879</u>	<u>548,288</u>	<u>2,192,167</u>
Total Assets	<u>1,831,716</u>	<u>601,380</u>	<u>2,433,096</u>
Deferred Outflows of Resources			
Pension	-	131,061	131,061
Total Deferred Outflows of Resources	<u>-</u>	<u>131,061</u>	<u>131,061</u>
Liabilities			
Current Liabilities:			
Accounts payable	8,152	49,839	57,991
Payroll liabilities	2,654	4,549	7,203
Total Current Liabilities	<u>10,806</u>	<u>54,388</u>	<u>65,194</u>
Current liabilities payable from restricted assets:			
Customer meter deposits	-	143,042	143,042
Long-Term Liabilities:			
Net pension liability	-	560,961	560,961
Total Liabilities	<u>10,806</u>	<u>758,391</u>	<u>769,197</u>
Deferred Inflows of Resources			
Pension	-	77,839	77,839
Total Deferred Inflows of Resources	<u>-</u>	<u>77,839</u>	<u>77,839</u>
Net Position			
Net investment in capital assets	1,643,879	472,536	2,116,415
Unrestricted	177,031	(576,325)	(399,294)
Total Net Position	<u>\$ 1,820,910</u>	<u>\$ (103,789)</u>	<u>\$ 1,717,121</u>

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

Town of Haynesville
Haynesville, Louisiana

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

	Proprietary Fund - Enterprise Funds		Total
	Sewer Fund	Utility Fund	
Operating Revenues			
Charges for services	\$ 211,079	\$ 605,918	\$ 816,997
Miscellaneous income	75	13,829	13,904
Total operating revenues	<u>211,154</u>	<u>619,747</u>	<u>830,901</u>
Operating Expenses			
Personnel services	100,296	274,266	374,562
Supplies	38,676	208,832	247,508
Utilities	27,214	5,201	32,415
Repairs and maintenance	21,611	116	21,727
Contractual services	6,000	194,978	200,978
Miscellaneous	1,681	18,287	19,968
Depreciation	82,254	63,796	146,050
Total operating expenses	<u>277,732</u>	<u>765,476</u>	<u>1,043,208</u>
Operating Income (Loss)	<u>(66,578)</u>	<u>(145,729)</u>	<u>(212,307)</u>
Non-operating Revenues (Expenses)			
Interest earnings	1,290	844	2,134
Grant income	-	27,804	27,804
Total non-operating revenues (expenses)	<u>1,290</u>	<u>28,648</u>	<u>29,938</u>
Income (loss) before transfers	<u>(65,288)</u>	<u>(117,081)</u>	<u>(182,369)</u>
Transfers in (out)	<u>(36,402)</u>	<u>28,345</u>	<u>(8,057)</u>
Total transfers	<u>(36,402)</u>	<u>28,345</u>	<u>(8,057)</u>
Change in net position	<u>(101,690)</u>	<u>(88,736)</u>	<u>(190,426)</u>
Total Net Position - June 30, 2020	<u>1,922,601</u>	<u>(15,052)</u>	<u>1,907,549</u>
Total Net Position - June 30, 2021	<u>\$ 1,820,911</u>	<u>\$ (103,788)</u>	<u>\$ 1,717,123</u>

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

Town of Haynesville
Haynesville, Louisiana

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

	Proprietary Fund - Enterprise Funds		Total
	Sewer Fund	Utility Fund	
Cash flows from operating activities			
Cash received from customers	\$ 234,881	\$ 655,395	\$ 890,276
Cash payments to suppliers for goods and services	(93,780)	(423,586)	(517,366)
Cash payments to employees for services	(98,614)	(248,061)	(346,675)
Net cash provided by (used for) operating activities	<u>42,487</u>	<u>(16,252)</u>	<u>26,235</u>
Cash flows from non-capital financing			
Transfers to (from) other funds	(36,402)	28,345	(8,057)
Net cash provided by (used for) non-capital financing activities	<u>(36,402)</u>	<u>28,345</u>	<u>(8,057)</u>
Cash flows from capital and related financing activities			
Capital grant	-	27,804	27,804
Acquisition of capital assets	(21,431)	(15,012)	(36,443)
Net cash provided by (used for) capital and related financing activities	<u>(21,431)</u>	<u>12,792</u>	<u>(8,639)</u>
Cash flows from investing activities			
Interest earnings	78	247	325
Other income	780	1,028	1,808
Net cash provided by (used for) investing activities	<u>858</u>	<u>1,275</u>	<u>2,133</u>
Net increase (decrease) in cash and cash equivalents	(14,488)	26,160	11,672
Cash and cash equivalents - June 30, 2020	9,183	27,514	36,697
Cash and cash equivalents - June 30, 2021	<u>\$ (5,305)</u>	<u>\$ 53,674</u>	<u>\$ 48,369</u>
Reconciliation of operating income to net provided by operating activities			
Operating income	\$ (66,579)	\$ (145,731)	\$ (212,310)
Adjustments			
Depreciation	82,254	63,796	146,050
Net changes in assets and liabilities			
Investments	28,788	30,903	59,691
Accounts receivable	(6,452)	658	(5,794)
Customers' security deposits	-	3,602	3,602
Accounts payable	4,476	10,080	14,556
Current increase (decrease) in pension liability	-	20,439	20,439
Net cash provided for (used for) operating activities	<u>\$ 42,487</u>	<u>\$ (16,253)</u>	<u>\$ 26,234</u>

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

**NOTES TO THE
FINANCIAL STATEMENTS**

Town of Haynesville
Haynesville, Louisiana

Notes to the Financial Statements
As of and For the Year Ended June 30, 2021

INTRODUCTION

The Town of Haynesville, Louisiana (Town), was incorporated August 14, 1901, under the provisions of the Lawrason Act. The Town operates under the Mayor-Town Council form of government with five Town Council members. Services provided by the Town include police protection, street maintenance, and recreation services. The Town also operates a water distribution system and sewer system for approximately 1,230 customers. The Town is located in Claiborne Parish, Louisiana.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Town applies all relevant GASB pronouncements, as applicable to governmental entities. Also, the Town's financial statements are prepared in accordance with the requirements of Louisiana R.S. 24:513, the Louisiana Municipal Audit and Accounting Guide and to the industry guide, Audits of State and Local Government Units, published by the American Institute of Certified Public Accountants.

B. Reporting Entity

GASB Statement No. 14, The Financial 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 Town is considered a primary government, since it is a general purpose local 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 No. 14, fiscally independent means that the Town 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.

GASB Statement No. 39, Determining Whether Certain Organizations are Component Units, establishes criteria for determining which, if any, component units should be considered part of the Town for financial reporting purposes. GASB Statement No. 61 provides additional criteria for classifying entities as component units. The basic criterion for including a potential component unit within the reporting entity is financial accountability, which includes:

1. Appointing a voting majority of an organization's governing body, and:
 - i. The ability of the government to impose its will on that organization and/or
 - ii. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the government.
2. Organizations for which the government does not appoint a voting majority but are fiscally dependent on the government and there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board.

Town of Haynesville
Haynesville, Louisiana

Notes to the Financial Statements
As of and For the Year Ended June 30, 2021

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the above criteria, Recreation District - Wards 2 & 3 is considered a component unit of the Town and is reported in the Town of Haynesville's financial statements as a blended entity.

C. Government-Wide Financial Statements

The Town's government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements present summaries of the governmental activities and the business-type activities for the Town. Fiduciary activities of the Town are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Town of Haynesville's governmental activities.

Program Revenues - Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the Town's taxpayers or citizenry, including (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program; program revenues reduce the cost of the function to be financed from the Town's general revenues.

Direct Expenses - The Town reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function.

Indirect Expenses - The Town reports all indirect expenses separately on the Statement of Activities (Statement B). Indirect expenses are those expenses that are not clearly identifiable with a function. Interest on long-term debt is considered an indirect expense.

General revenues are taxes and other items that are not properly included among program revenues. The effect of interfund activity has been removed from the government-wide financial statements.

Town of Haynesville
Haynesville, Louisiana

Notes to the Financial Statements
As of and For the Year Ended June 30, 2021

D. Fund Financial Statements

The accounts of the Town of Haynesville are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, expenditures or expenses, as appropriate, additions, and deductions. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements. Funds of the Town are classified into two categories: governmental and proprietary.

Governmental Funds

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The Town has presented all major funds.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources are included on the Balance Sheets. Amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure. Long-term debts are reported as an other financing source, and repayment of long-term debt is reported as an other financing use. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon thereafter to pay liabilities of the current period. Accordingly, revenues are recorded when received in cash and when collected within 60 days after year-end. Expenditures are recorded in the accounting period in which the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized when due.

The Town of Haynesville reports the following major governmental funds:

General Fund - The primary operating fund of the Town, the General Fund, accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to Town policy.

Major Special Revenue Funds - Accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes, or designated by the Town to be accounted for separately.

Town of Haynesville
Haynesville, Louisiana

Notes to the Financial Statements
As of and For the Year Ended June 30, 2021

Revenues

The governmental funds use the following practices in recording revenues:

Those revenues susceptible to accrual are property taxes, franchise taxes, sales taxes, charges for services, and fines. Permit and license revenues are not susceptible to accrual because generally they are not measurable until received in cash.

Entitlements and shared revenues are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible-to-accrual criteria are met. Expenditure-driven grants are recognized when the qualifying expenditures have been incurred, all other grant requirements have been met, and the susceptible-to-accrual criteria have been met.

Interest earnings are recorded when the investments have matured and the interest is available.

Expenditures

The governmental funds use the following practices in recording expenditures:

Salaries are recorded as expenditures when earned by employees.

Purchases of various operating supplies, etc. are recorded as expenditures when the related fund liability is incurred.

Compensated absences are recognized as expenditures when leave is actually taken or when employees, or their heirs, are paid for accrued leave upon retirement or death.

Principal and interest on long-term debt are recognized when due.

Other Financing Sources (Uses)

The governmental funds use the following practices in recording other financing sources (uses):

Transfers between funds that are not expected to be repaid, sales of fixed assets, and long-term debt proceeds and payments, are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Proprietary Funds

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (net total position) is segregated into three components-net investment in capital assets, restricted net position, and unrestricted net position. Proprietary fund-type operating statements present increases (revenues) and decreases (expenses) in net total position. The proprietary funds use the accrual basis of accounting, where revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of the related cash flows.

Town of Haynesville
Haynesville, Louisiana

Notes to the Financial Statements
As of and For the Year Ended June 30, 2021

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

The Enterprise Fund of the Town of Haynesville is the Water and Sewer Fund, which accounts for the operations of the waterworks and sewerage systems. The intent of the Town for these facilities is (a) that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) that the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Revenues and Expenses

Operating revenues in the proprietary fund are those that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

E. Equity Classifications

The Town of Haynesville has implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.

In the Government-Wide Financial Statements and the Proprietary Fund Financial Statements, the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources is classified as net position and reported in three components:

Net investment in capital assets: This classification consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of these assets.

Restricted net position: This classification consists of net position with constraints placed on its use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or law through constitutional provision or enabling legislation.

Unrestricted net position: Any other net position that does not meet the definition of "restricted" or "net investment in capital assets."

When an expense is incurred for the purposes for which both restricted and unrestricted net position are available, management applies unrestricted net position first, unless a determination is made to use restricted net position. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

Town of Haynesville
Haynesville, Louisiana

Notes to the Financial Statements
As of and For the Year Ended June 30, 2021

The Governmental Fund Financial Statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The Town did not have any nonspendable funds for the year ended June 30, 2021.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Town did not have any restricted funds for the year ended June 30, 2021.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Town Council. These amounts cannot be used for any other purpose unless the Town Council removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Town Council typically establishes commitments through the adoption and amendment of the budget. The Town did not have any committed funds for the year ended June 30, 2021.

Assigned: This classification includes amounts that are constrained by the Town's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Town Council or through the Town Council delegating this responsibility to a body or official (Mayor) for specific purposes. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The Town has \$241,905 in assigned funds for year ended June 30, 2021.

Unassigned: This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts. The General Fund amount of \$78,782 is designated as unassigned.

The Town would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

Town of Haynesville
Haynesville, Louisiana

Notes to the Financial Statements
As of and For the Year Ended June 30, 2021

F. Budgets

The Mayor prepares a proposed budget and submits it to the Town Council no later than fifteen days prior to the beginning of each fiscal year. 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. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing. 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 fiscal year for which the budget is being adopted. The budget ordinance is structured such that revenues are budgeted by source and appropriations are budgeted by department and by principal object of expenditure. The Town Council may revise or amend the budget at its discretion during legally convened sessions. Management may amend the budget only below the department level. The Town utilizes formal budgetary integration as a management control device for all funds.

The 2020-2021 general fund budget and special fund budgets were published in the official journal and made available for public inspection. A public hearing for the proposed budgets was held on June 25, 2020, and the budgets were adopted by the Mayor and Town Council. A public hearing was held for the budgets to be amended on June 29, 2021, and was adopted by the Mayor and Town Council.

G. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Town of Haynesville may deposit funds in demand deposits in stock-owned federally insured depository institutions organized under the laws of the state of Louisiana or of any other state of the United States, or under the laws of the United States. The Town may invest in certificates and time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

For the purposes of the statement of cash flows, cash equivalents include all highly liquid investments with a maturity date of 90 days or less when purchased.

Under state law, the Town may invest in United States bonds, treasury notes, or certificates. Those with maturities of 90 days or less would be classified as cash equivalents and all other reported as investments.

The Town reports restricted assets on the Statement of Net Position (Statement A), which includes restricted cash (customer deposits) that is collected by the Water and Sewer Department.

H. Investments

The Town of Haynesville's investments comply with Louisiana Revised Statute 33:2955. Under state law, the Town may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The Town may invest in United States bonds, treasury notes and bills, or government-backed agency securities or certificates, and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. These deposits are classified as investments if their original maturities exceed 90 days. Investments are stated at fair value except for the following, which are permitted under GASB Statement No. 31:

Investments in non-participating interest earning contracts, such as non-negotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

Town of Haynesville
Haynesville, Louisiana

Notes to the Financial Statements
As of and For the Year Ended June 30, 2021

The Town reported at amortized cost money market investments and participating interest-earning investment contracts that have a remaining maturity at the time of purchase of one year or less. Interest-earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts. Money market investments are short-term, highly liquid debt instruments that include U.S. Treasury obligations.

I. Interfund Receivables and Payables

Activity between funds that is representative of lending or borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" on the fund financial statements balance sheets, as well as all other outstanding balances between funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

J. Inventories

Inventories of supplies in the Proprietary Fund are not material and are charged to operations as purchased.

K. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are recorded in the applicable governmental or business-type activities columns of the government-wide financial statements, but are not reported in the governmental fund financial statements. Acquisitions of property and equipment 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 Town maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Improvements and replacements of property and equipment are capitalized. Maintenance and repairs that do not improve or extend the lives of property and equipment are charged to expense as incurred. When assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts and any gain or loss is reported in the Statement of Activities.

Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed using the straight-line method. Depreciation is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. The estimated useful life for classes of assets are as follows:

General Fund	Years	Enterprise Fund	Years
Buildings	10-40 years	Equipment	4-15 years
Equipment	5-25 years	Utility Plant and Distribution System	10-60 years
Infrastructure - Asphalt Streets	40 years		

In accordance with GASB Statement No. 34, general infrastructure capital assets consisting of streets, bridges, sidewalks, and drainage systems acquired before July 1, 2003, are excluded from capital assets.

Town of Haynesville
Haynesville, Louisiana

Notes to the Financial Statements
As of and For the Year Ended June 30, 2021

L. Deferred Outflows of Resources

The Town reports decreases in net position that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statements of net position. The Town reported \$478,008 in deferred outflows of resources due to the net pension liability.

M. Compensated Absences

Compensated absences computed by the Town is as follows:

Vacation is limited to five days after one continuous year of service, ten days after two continuous years of service, and thereafter. Vacation days must be used in the calendar year of entitlement. Unused days at December 31 of each year do not accrue.

Sick leave is limited to thirty days at full pay and thirty days at half-pay. Days must be used within the calendar year and do not accrue.

The cost of leave privileges, computed in accordance with the GASB Statement No. 16, Accounting for Compensated Absences, is recognized as a current-year expenditure in the governmental funds when leave is actually taken or when employees or their heirs are paid for accrued leave upon retirement or death.

At June 30, 2021, employees of the Town have accumulated and vested \$16,179 of employee leave benefits, computed in accordance with GASB Statement No. 16. The entire compensated absence liability is reported on the government-wide financial statements.

N. Deferred Inflows of Resources

The Town reports increases in net position that relate to future periods as deferred inflows of resources in a separate section of its government-wide and proprietary funds statements of net position. The Town will not recognize the related revenues until a future event occurs. The Town reported \$311,948 of deferred inflows of resources due to the net pension liability.

O. Interfund Transactions

Interfund activity is reported as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements are when a fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or enterprise funds are netted as part of the reconciliation to the government-wide financial statements.

Resources belonging to particular funds are commonly shared with other funds that need access to additional resources. When resources are provided without the expectation of repayment, the transaction is reported as a transfer and is treated as a source of income by the recipient fund and as an expenditure by the providing fund.

Activity between funds that is representative of lending or borrowing arrangements outstanding at the end of the fiscal year are referred to as "due from other funds" or "due to other funds" on the Fund Financial Statements Balance Sheet (Statement C), as well as all other outstanding balances between funds.

Town of Haynesville
Haynesville, Louisiana

Notes to the Financial Statements
As of and For the Year Ended June 30, 2021

In the process of aggregating data for the Statement of Net Position (Statement A) and the Statement of Activities (Statement B), some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

P. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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.

2. Ad Valorem Taxes

The following is a summary of authorized and levied ad valorem taxes:

This millage was approved by the Town Council on June 17, 2020.

	Authorized Millage	Levied Millage	Expiration Date
Street & Sewerage	5.00	5.090	2021
General Operation		9.57	

3. Sales Tax

Proceeds from a one percent (1%) sales and use tax shall be dedicated and used for the purposes of opening, constructing, paving, resurfacing, improving and/or maintaining streets, alleys, sidewalks and bridges, constructing, acquiring, extending, improving, renovating and/or maintaining street light facilities, waterworks, sewers and sewerage disposal works, garbage collection and waste disposal facilities, police department stations and equipment, public buildings and/or fire department stations and equipment, including fire engines, public parks and recreational facilities, airport facilities and purchasing and acquiring the necessary land, equipment and furnishings for the aforementioned public works, buildings, improvements and facilities, title to which improvements shall be in the public, or for any one or more of said purposes, all as authorized by Sub-Part I, Chapter 6, Title 33 of the Louisiana Revised Statutes of 1950 (R.S. 33:2711 et seq.)

The Town is also authorized to levy and collect a tax of one percent (1%) for an unlimited period upon the sale at retail, the use, and lease or rental, the consumption and storage for use or consumption of tangible personal property and on sales of services in said Town, as defined in R.S. 47:301 to 47:317, inclusive, with the revenues derived from said sales and use tax to be deposited in a special fund and dedicated and used for the purposes of industrial construction, inducement and/or procurement, opening, constructing, paving, resurfacing, improving and/or maintaining streets, alleys, sidewalks and bridges, constructing, acquiring, extending, improving, renovating and/or maintaining street lighting facilities, and waterworks.

Town of Haynesville
Haynesville, Louisiana

Notes to the Financial Statements
As of and For the Year Ended June 30, 2021

The residents of the Town of Haynesville authorized the levy of a one-half of one percent sales and use tax upon the sale at retail, the use, the lease or rental, the consumption, and the storage for use or consumption, of tangible personal property and upon the sale of services. The tax was authorized by special election on April 28, 2018, adopted through Ordinance #609 on May 24, 2018, and is effective on July 1, 2018.

4. Cash, Cash Equivalents, and Investments

At June 30, 2021, the Town had cash and cash equivalents (book balances) totaling \$373,517, of which \$308,534 was in demand deposits, \$64,607 was in certificates of deposits less than 90 days, and \$375 was in petty cash. 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.

At June 30, 2021, the Town had \$411,247 in deposits (collected bank balances). These deposits are secured from risk by \$354,994 of federal deposit insurance, and \$56,253 of pledged securities held in a Federal Reserve pledge account. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement No. 40, Louisiana Revised Statute 30:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand. Louisiana R.S. 39:1224 requires bonds, or other such instruments furnished as security, to be deposited with the depositing authority or with an unaffiliated bank or trust company, Federal Reserve Bank, or any Federal Home Loan Bank or its successor. This security is deemed to be under the control and in the possession of the public entity and deemed to be held in its name. The Town of Haynesville has complied with these requirements of state law.

Cash and investments are categorized to give an indication of the level of risk assumed by the Town at June 30, 2021. Deposits are considered to be exposed to custodial credit risk if they are not covered by depository insurance and the deposits are (a) uncollateralized, (b) collateralized with securities held by the pledging financial institution, or (c) collateralized with securities held by the the pledging financial institution's trust department or agent but not in the depositor-government's name. The Town of Haynesville has cash and cash equivalents that are covered by federal depository insurance. The remaining balance is exposed to custodial credit risk because it is uninsured and collateralized with securities held by the pledging financial institution.

At June 30, 2021, the Town had investments of \$201,255. All investments were certificates of deposit with a maturity of more than 90 days. These deposits were secured with \$602,698 of pledged securities.

Town of Haynesville
Haynesville, Louisiana

Notes to the Financial Statements
As of and For the Year Ended June 30, 2021

5. Receivables

The receivables of \$196,746 at June 30, 2021, are as follows:

	Fund			Total
	General	Sales Tax	Enterprise	
Ad valorem taxes	\$ 1,331	\$ -	\$ -	1,331
Occupational licenses	24,536	-	-	24,536
Fines	7,189	-	-	7,189
Sales taxes	-	69,987	-	69,987
Franchise and other taxes	18,510	-	-	18,510
Rent, royalty, commission	917	-	-	917
Services	4,505	-	67,057	71,562
Other	2,714	-	-	2,714
Total	\$ 59,702	\$ 69,987	\$ 67,057	\$ 196,746

Town of Haynesville
Haynesville, Louisiana

Notes to the Financial Statements
As of and For the Year Ended June 30, 2021

6. Capital Assets

A summary of changes in capital assets for the year ended June 30, 2021, is as follows.

A. Capital Assets - Governmental Activities

	Balance, July 01, 2020	Additions	Deletions	Balance, June 30, 2021
Capital assets not depreciated				
Land	\$ 399,279	\$ -	\$ -	\$ 399,279
Construction in progress	1,025,663	-	1,025,663	-
Total capital assets not being depreciated	<u>1,424,942</u>	<u>-</u>	<u>1,025,663</u>	<u>399,279</u>
Capital assets being depreciated				
Buildings and improvements	1,575,520	1,025,663	-	2,601,184
Equipment and furniture	1,824,774	81,650	-	1,906,424
Infrastructure	512,922	-	-	512,922
Total capital assets being depreciated	<u>\$ 3,913,216</u>	<u>\$ 1,107,314</u>	<u>\$ -</u>	<u>\$ 5,020,530</u>
Less accumulated depreciation				
Buildings and improvements	\$ 1,116,786	\$ 63,821	\$ -	\$ 1,180,606
Equipment and furniture	1,628,047	60,891	-	1,688,938
Infrastructure	71,977	12,823	-	84,800
Total accumulated depreciation	<u>2,816,810</u>	<u>137,534</u>	<u>-</u>	<u>2,954,344</u>
Capital assets, net	<u>\$ 1,096,406</u>	<u>\$ 969,780</u>	<u>\$ -</u>	<u>\$ 2,066,186</u>
Governmental capital assets - net	<u>\$ 2,521,348</u>	<u>\$ 969,780</u>	<u>\$ 1,025,663</u>	<u>\$ 2,465,465</u>

Functional Allocation of Depreciation Expense

General government	\$ 42,874
Public safety	52,800
Public works	9,870
Parks and recreation	31,990
Total	<u>\$ 137,534</u>

Town of Haynesville
Haynesville, Louisiana

Notes to the Financial Statements
As of and For the Year Ended June 30, 2021

B. Capital Assets - Business-Type Activities

	Balance, July 01, 2020	Additions	Deletions	Balance, June 30, 2021
Capital assets not depreciated				
Land	\$ 25,500	\$ -	\$ -	\$ 25,500
Total capital assets not being depreciated	<u>25,500</u>	<u>-</u>	<u>-</u>	<u>25,500</u>
Capital assets being depreciated				
Utility Plant and Distribution System	\$ 6,037,075	\$ 15,012	\$ -	\$ 6,052,087
Machinery and equipment	618,238	21,431	-	639,669
Total capital assets being depreciated	<u>\$ 6,655,313</u>	<u>\$ 36,443</u>	<u>\$ -</u>	<u>\$ 6,691,756</u>
Less accumulated depreciation				
Utility Plant and Distribution System	\$ 3,916,679	\$ 132,799	\$ -	\$ 4,049,478
Machinery and equipment	538,112	13,250	-	551,362
Total accumulated depreciation	<u>\$ 4,454,791</u>	<u>\$ 146,050</u>	<u>\$ -</u>	<u>\$ 4,600,840</u>
Capital assets, net	<u>\$ 2,200,522</u>	<u>\$ (109,607)</u>	<u>\$ -</u>	<u>\$ 2,090,916</u>
Business-type capital assets - net	<u><u>\$ 2,226,022</u></u>	<u><u>\$ (109,607)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,116,416</u></u>

Functional Allocation of Depreciation Expense

Utility	\$ 63,796
Sewer	82,254
Total	<u><u>\$ 146,050</u></u>

7. Payables

The payables of \$199,342 at June 30, 2021, are as follows:

	Fund				Total
	General	Sales Tax	Recreation	Enterprise	
Accounts	\$ 62,210	\$ 42,553	\$ 12,926	\$ 57,990	\$ 175,679
Payroll liabilities	13,337	-	3,123	7,203	23,663
Total	<u><u>\$ 75,547</u></u>	<u><u>\$ 42,553</u></u>	<u><u>\$ 16,049</u></u>	<u><u>\$ 65,193</u></u>	<u><u>\$ 199,342</u></u>

Town of Haynesville
Haynesville, Louisiana

Notes to the Financial Statements
As of and For the Year Ended June 30, 2021

8. Retirement Systems

A. Municipal Employees' Retirement System of Louisiana (System)

Plan Description

The Town of Haynesville contributes to the Municipal Employees' Retirement System of Louisiana (System) which is a cost sharing multiple employer defined benefit pension plan. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All 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.

Any member of Plan A can retire providing the member meets on of the following criteria:

1. Any age with 25 years of creditable service.
2. Age 60 with a minimum of ten years of creditable service.
3. Under age 60 with five years of creditable service eligible for disability benefits.
4. Survivor's benefits require five years creditable service at death of member.
5. Any age with 20 years creditable service, exclusive of military service with an actuarially reduced early benefit.

Generally, the monthly amount of the retirement shall consist of an amount equal to 3% of the employee's monthly average final compensation multiplied by his or her years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. The System also provides death and disability benefits. Benefits are established or amended by state statute.

For the year ended June 30, 2021, the Town of Haynesville's total payroll for all employees was \$736,264 and total covered payroll was \$389,870. Covered payroll refers to all compensation paid by the Town of Haynesville to active employees covered by the Plan.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The 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 (225) 925-4810, or by visiting the System's website www.mersla.com.

Town of Haynesville
Haynesville, Louisiana

Notes to the Financial Statements
As of and For the Year Ended June 30, 2021

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended June 30, 2021, the actual employer contribution rate was 29.50% for Plan A, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. The Town of Haynesville's contributions to the System under Plan A for the year ending June 30, 2021 were \$106,356.

Under Plan A, members are required by state statute to contribute 10.00% of their annual covered salary. The contributions are deducted from the employee's wages or salary and remitted by the Town of Haynesville to the System monthly.

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

At June 30, 2021, the Employer reported a liability of \$881,885 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2020, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Town of Haynesville's proportion of the Net Pension Liability was based on a projection of the Town of Haynesville's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the Town of Haynesville's proportion was 0.203979%, which was a decrease of 0.005778% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Town of Haynesville recognized pension expense of \$139,702 plus employer's amortization of change in proportionate share, differences between employer contributions and proportionate share of contributions, and contributions made after the measurement date, which was (\$90,501). Total pension expense was \$49,201.

Town of Haynesville
Haynesville, Louisiana

Notes to the Financial Statements
As of and For the Year Ended June 30, 2021

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 409	\$ 5,000
Changes in assumption	14,834	-
Net difference between projected and actual earnings on pension plan	88,003	-
Changes in employer's proportion of beginning net pension liability	10,141	14,485
Differences between employer and proportionate share of contributions	-	107,095
Contributions after the measurement period	<u>106,356</u>	<u>-</u>
Total	<u>\$ 219,743</u>	<u>\$ 126,580</u>

The \$106,356 reported as deferred outflows of resources related to pensions resulting from Town of Haynesville contributions subsequent to the measurement date will be recognized as an increase of Net Pension Liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ended June 30:	
2022	\$ (30,626)
2023	(15,460)
2024	19,996
2025	12,900

Town of Haynesville
Haynesville, Louisiana

Notes to the Financial Statements
As of and For the Year Ended June 30, 2021

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2020, are as follows:

Valuation Date	June 30, 2020	
Actuarial Cost Method	Entry Age Normal	
Actuarial Assumptions:		
Investment Rate of Return	6.950%	
Inflation Rate	2.500%	
Projected Salary Increases	Years of Service	Salary Growth Rate
	1-4	6.400%
	Above 4	4.500%
Annuitant and beneficiary mortality	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.	
Employee mortality	PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.	
Disabled lives mortality	PubG-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale.	

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimated 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 are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public equity	53%	2.33%
Public fixed income	38%	1.67%
Alternatives	9%	0.40%
Totals	<u>100%</u>	<u>4.40%</u>
Inflation		<u>2.60%</u>
Expected arithmetic nominal return		<u><u>7.00%</u></u>

Town of Haynesville
Haynesville, Louisiana

Notes to the Financial Statements
As of and For the Year Ended June 30, 2021

Discount Rate

The discount rate used to measure the total pension liability was 6.95%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Sensitivity of the Town of Haynesville's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Town of Haynesville's proportionate share of the net pension liability calculated using the discount rate of 6.95%, as well as what the Town of Haynesville's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.95%) or one percentage-point higher (7.95%) than the current rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
Employer's proportionate share of net pension liability	\$ 1,147,235	\$ 881,885	\$ 657,519

Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued Municipal Employees' Retirement System of Louisiana Audit Report at www.mersla.com.

B. Municipal Police Employees' Retirement System of Louisiana (System)

Plan Description

The Town of Haynesville contributes to the Municipal Police Employees' Retirement System of Louisiana (System) which is a cost sharing multiple employer defined benefit pension plan. Membership in the System is mandatory for all full-time police officers employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing he or she does not have to pay social security and providing he or she meets the statutory criteria.

Any member of the Plan who was hired before January 1, 2013, can retire providing the member meets one of the following criteria:

1. Any age with 25 years of creditable service.
2. Age 50 with a minimum of twenty or more years of creditable service.
3. Age 55 with a minimum of twelve years of creditable service.
4. After 20 years of creditable service at any age, with actuarially reduced benefit from age 55.

Town of Haynesville
Haynesville, Louisiana

Notes to the Financial Statements
As of and For the Year Ended June 30, 2021

The monthly amount of benefits are 3 1/3% of their average final compensation (employee's average monthly earnings during the highest 36 consecutive or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Eligibility for retirement for members hired on or after January 1, 2013 is as follows:

Hazardous Duty

1. Any age with 25 years of creditable service.
2. Age 55 with twelve or more years of creditable service.
3. After 20 years of creditable service at any age, with actuarially reduced benefit from age 55.

Non Hazardous Duty

1. Any age with 30 years of creditable service.
2. Age 55 with twenty-five or more years of creditable service.
3. Age 60 with ten or more years of creditable service.
4. After 20 years of creditable service at any age, with actuarially reduced benefit from age 55.

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

The system also provides death and disability benefits. Benefits are established or amended by state statute.

For the year ended June 30, 2021, the Town of Haynesville's total payroll for all employees was \$736,264. Total covered payroll was \$245,120. Covered payroll refers to all compensation paid by the Town of Haynesville to active employees covered by the Plan.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7722 Office Park Boulevard, Suite 200, Baton Rouge, Louisiana 70809, or by calling (225) 929-7411, or by visiting the System's website www.lampers.org.

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended June 30, 2021, the actual employer contribution rate was 33.75%, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. The Town of Haynesville's contributions to the System for the year ended June 30, 2021 were \$82,728.

Town of Haynesville
Haynesville, Louisiana

Notes to the Financial Statements
As of and For the Year Ended June 30, 2021

Members are required by state statute to contribute 10.00% of their annual covered salary. The contributions are deducted from the employee's wages or salary and remitted by the Town of Haynesville to the System monthly.

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

At June 30, 2021, the Employer reported a liability of \$832,956 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2020, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Town of Haynesville's proportion of the Net Pension Liability was based on a projection of the Town of Haynesville's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the Town of Haynesville's proportion was 0.090124%, which was an increase of 0.006820% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Town of Haynesville recognized pension expense of \$134,023 plus employer's amortization of change in proportionate share, differences between employer contributions and proportionate share of contributions, contributions made after the measurement date, which was (\$25,823). Total pension expense was \$108,200.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	-	32,809
Changes in assumptions	19,793	20,556
Net difference between projected and actual earnings on pension plan	99,930	-
Changes in employer's proportion of beginning net pension liability	55,813	2,915
Differences between employer and proportionate share of contributions	-	129,088
Contributions after the measurement period	82,728	-
Total	<u>\$ 258,264</u>	<u>\$ 185,368</u>

Town of Haynesville
Haynesville, Louisiana

Notes to the Financial Statements
As of and For the Year Ended June 30, 2021

The \$82,728 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of Net Pension Liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ended June 30:	
2022	\$ (33,194)
2023	(5,692)
2024	10,076
2024	18,978

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2020, are as follows:

Valuation Date	June 30, 2020	
Actuarial Cost Method	Entry Age Normal Cost	
Actuarial Assumptions:		
Investment Rate of Return	6.950%, net of investment expense	
Expected Remaining Service Lives	4 years	
Inflation Rate	2.50%	
Projected Salary Increases	Years of Service	Salary Growth Rate
	1-2	12.30%
	Above	4.70%
Mortality	<p>For annuitants and beneficiaries, the Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.</p> <p>For disabled lives, the Pub-2010 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used.</p> <p>For employees, the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.</p>	
Cost-of-Living Adjustments	<p>The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.</p>	

Town of Haynesville
Haynesville, Louisiana

Notes to the Financial Statements
As of and For the Year Ended June 30, 2021

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period of July 1, 2014 through June 30, 2019, and review of similar law enforcement mortality. A change was made full generational mortality which combines the use of a base mortality table with appropriate mortality improvement scales. In order to set the base mortality table, actual plan mortality experience was assigned a credibility weighting and combined with a standard table to produce current levels of mortality. The best estimates of the arithmetic rates of return for each major asset class included in the System's target allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	49%	3.08%
Fixed income	34%	0.54%
Alternatives	18%	1.02%
Other	-%	-%
Totals	100%	4.64%
Inflation		2.55%
Expected arithmetic nominal return		7.19%

Discount Rate

The discount rate used to measure the total pension liability was 6.95%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Sensitivity of the Town of Haynesville's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Town of Haynesville's proportionate share of the net pension liability calculated using the discount rate of 6.95%, as well as what the Town of Haynesville's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.95%) or one percentage-point higher (7.95%) than the current rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
Employer's proportionate share of net pension liability	\$ 1,170,214	\$ 832,956	\$ 551,022

Town of Haynesville
Haynesville, Louisiana

Notes to the Financial Statements
As of and For the Year Ended June 30, 2021

Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued Municipal Police Employees' Retirement System of Louisiana Audit Report at www.lampers.org.

9. Long-Term Obligations

The following is a summary of the long-term obligation transactions for the year ended June 30, 2021:

Long-term obligation	Balance, July 01, 2020	Additions	Deletions	Balance, June 30, 2021
Net pension liability	1,633,043 \$	81,798 \$	- \$	1,714,841
Compensated absences	19,267	-	3,088 \$	16,179
Total	<u>\$ 1,652,310 \$</u>	<u>81,798 \$</u>	<u>3,088 \$</u>	<u>1,731,020</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of June 30, 2021:

Long-term obligation	Current portion	Long-term portion	Total
Net pension liability	\$ -	1,714,841 \$	1,714,841
Compensated absences	-	16,179	16,179
Total	<u>\$ -</u>	<u>1,731,020 \$</u>	<u>1,731,020</u>

10. Grants

A summary of grant revenues for the year ended June 30, 2021, is as follows.

Entity	Department	Operating Amount	Capital Amount	Description of Use
Louisiana Community Development Block Grants	Streets	180,860		Street repairs
Louisiana Government Assistance Program	Water		10,121	Mini excavator
Clean Water Enrichment Fund	Water	17,683		Water meters
Entergy Grants	General	2,500		Derrick lights
Total		<u>\$ 201,043</u>	<u>\$ 10,121</u>	

Town of Haynesville
Haynesville, Louisiana

Notes to the Financial Statements
As of and For the Year Ended June 30, 2021

11. Risk Management

The Town is exposed to various risk of loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, and injuries to employees. To handle such risk of loss, the Town maintains commercial insurance policies covering automobile liability and uninsured motorist, surety bond coverage, flood insurance, and property insurance. In addition to the above policies, the Town maintains a general liability policy and an errors and omissions policy. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amount.

12. Litigation and Claims

At June 30, 2021, the Town was not involved in any lawsuits nor is aware of any outstanding claims, which are not covered by insurance.

13. Deficit Net Position

At June 30, 2021, a net position deficit of \$736,536 exists in the Governmental Activities and a deficit of \$399,294 exists in the Utility Fund (Enterprise Fund) resulting from the net pension liability that was accounted for according to GASB Statement 68. The liability is an estimate of the Town's proportionate share of the cost-sharing retirement plan for municipal employees and municipal police employees. Please refer to Note 8 for a detailed explanation on the retirement plan.

14. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 28, 2022, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Town of Haynesville
Haynesville, Louisiana

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

	Budget - Original	Budget - Final	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes:				
Ad valorem tax	\$ 121,000	\$ 119,000	\$ 120,979	\$ 1,979
Franchise tax	75,000	74,200	77,361	3,161
Other tax	2,500	2,300	2,435	135
Licenses and permits	86,815	80,815	97,157	16,342
Operating grant	242,496	183,359	183,360	1
Intergovernmental	38,010	36,010	75,735	39,725
Fines, forfeitures, and court costs	105,900	106,500	107,951	1,451
Rent, royalty, and commission	23,400	14,150	15,342	1,192
Charges for services	11,000	8,500	8,850	350
Miscellaneous	11,000	55,550	50,084	(5,466)
Total revenues	<u>717,121</u>	<u>680,384</u>	<u>739,254</u>	<u>58,870</u>
Expenditures				
Current:				
General government	305,000	265,480	232,028	33,452
Public safety				
Police	465,050	441,400	464,652	(23,252)
Streets	162,637	167,000	393,584	(226,584)
Other departments	14,700	6,100	8,670	(2,570)
Capital outlay	320,000	288,631	81,650	206,981
Total expenditures	<u>1,267,387</u>	<u>1,168,611</u>	<u>1,180,584</u>	<u>(11,973)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(550,266)</u>	<u>(488,227)</u>	<u>(441,330)</u>	<u>46,897</u>
Other financing sources (uses)				
Interest earnings	1,000	1,703	2,540	837
Operating transfers	357,917	417,200	396,357	(20,843)
Total other financing sources (uses)	<u>358,917</u>	<u>418,903</u>	<u>398,897</u>	<u>(20,006)</u>
Net changes in fund balances	(191,349)	(69,324)	(42,433)	26,891
Fund balances - June 30, 2020	121,215	121,215	121,215	-
Fund balances - June 30, 2021	<u>\$ (70,134)</u>	<u>\$ 51,891</u>	<u>\$ 78,782</u>	<u>\$ 26,891</u>

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

Town of Haynesville
Haynesville, Louisiana

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

	Budget - Original	Budget - Final	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes:				
Sales tax	\$ 557,500	\$ 595,000	\$ 617,865	\$ 22,865
Total revenues	<u>557,500</u>	<u>595,000</u>	<u>617,865</u>	<u>22,865</u>
Expenditures				
Current:				
General government	199,733	207,900	201,198	6,702
Total expenditures	<u>199,733</u>	<u>207,900</u>	<u>201,198</u>	<u>6,702</u>
Excess (deficiency) of revenues over (under) expenditures	<u>357,767</u>	<u>387,100</u>	<u>416,667</u>	<u>29,567</u>
Other financing sources (uses)				
Interest earnings	150	100	107	7
Operating transfers	(357,917)	(387,200)	(388,300)	(1,100)
Total other financing sources (uses)	<u>(357,767)</u>	<u>(387,100)</u>	<u>(388,193)</u>	<u>(1,093)</u>
Net changes in fund balances	-	-	28,474	28,474
Fund balances - June 30, 2020	<u>112,834</u>	<u>112,834</u>	<u>112,834</u>	<u>-</u>
Fund balances - June 30, 2021	<u>\$ 112,834</u>	<u>\$ 112,834</u>	<u>\$ 141,308</u>	<u>\$ 28,474</u>

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

Town of Haynesville
Haynesville, Louisiana

Budgetary Comparison Schedule - Recreation District Wards 2 and 3
For the Year Ended June 30, 2021

	Budget - Original	Budget - Final	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes:				
Ad valorem tax	\$ 175,000	\$ 200,000	\$ 200,400	\$ 400
Charges for services	2,725	2,400	2,721	321
Miscellaneous	50	-	-	-
Total revenues	<u>177,775</u>	<u>202,400</u>	<u>203,121</u>	<u>721</u>
Expenditures				
Current:				
Parks and recreation	153,375	126,425	125,721	704
Total expenditures	<u>153,375</u>	<u>126,425</u>	<u>125,721</u>	<u>704</u>
Excess (deficiency) of revenues over (under) expenditures	<u>24,400</u>	<u>75,975</u>	<u>77,400</u>	<u>1,425</u>
Other financing sources (uses)				
Interest earnings	200	350	384	34
Total other financing sources (uses)	<u>200</u>	<u>350</u>	<u>384</u>	<u>34</u>
Net changes in fund balances	24,600	76,325	77,784	1,459
Fund balances - June 30, 2020	<u>22,811</u>	<u>22,811</u>	<u>22,811</u>	<u>-</u>
Fund balances - June 30, 2021	<u>\$ 47,411</u>	<u>\$ 99,136</u>	<u>\$ 100,595</u>	<u>\$ 1,459</u>

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

Town of Haynesville
Haynesville, Louisiana

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

	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.203979 %	0.209757 %	0.201135 %	0.195965 %	0.182297 %	0.169975 %	0.161121 %
Employer's proportionate share of the net pension liability (asset)	\$ 881,885	\$ 876,503	\$ 832,835	\$ 819,804	\$ 747,183	\$ 607,177	\$ 413,508
Employer's covered employee payroll	\$ 389,870	\$ 388,298	\$ 367,216	\$ 355,884	\$ 299,143	\$ 290,104	\$ 284,699
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	226.20 %	225.73 %	226.80 %	230.36 %	249.77 %	209.30 %	145.24 %
Employer's proportion of the net pension liability (asset)	64.52 %	64.68 %	63.94 %	62.49 %	62.11 %	66.18 %	73.99 %

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

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

Town of Haynesville
Haynesville, Louisiana

Schedule of Employer's Share of Net Pension Liability
Municipal Police Employees Retirement System
For the Year Ended June 30, 2021

	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.090124 %	0.083304 %	0.084043 %	0.076986 %	0.066098 %	0.053228 %	0.054959 %
Employer's proportionate share of the net pension liability (asset)	\$ 832,956	\$ 756,540	\$ 710,505	\$ 672,120	\$ 619,524	\$ 416,986	\$ 343,828
Employer's covered employee payroll	\$ 279,726	\$ 259,997	\$ 248,523	\$ 229,660	\$ 185,155	\$ 142,582	\$ 152,378
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	297.78 %	290.98 %	285.89 %	292.66 %	334.60 %	292.45 %	225.64 %
Employer's proportion of the net pension liability (asset)	70.94 %	71.01 %	71.89 %	70.08 %	66.04 %	70.73 %	75.10 %

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

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

Town of Haynesville
Haynesville, Louisiana

Schedule of Employer Contributions
Municipal Employees Retirement System
For the Year Ended June 30, 2021

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 106,356	\$ 108,189	\$ 100,958	\$ 90,886	\$ 80,964	\$ 59,081	\$ 57,296
Contributions in relation to contractually required contribution	106,356	108,189	100,958	90,886	80,964	59,081	57,296
Contribution deficiency (excess)	-	-	-	-	-	-	-
Employer's covered payroll	\$ 360,528	\$ 389,870	\$ 388,298	\$ 367,216	\$ 355,884	\$ 299,142	\$ 290,104
Contributions as a percentage of covered employee payroll	29.50 %	27.75 %	26.00 %	24.75 %	22.75 %	19.75 %	19.75 %

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

Town of Haynesville
Haynesville, Louisiana

Schedule of Employer Contributions
Municipal Police Employees Retirement System
For the Year Ended June 30, 2021

	2021	2021	2019	2018	2017	2016	2015
Contractually required contribution	\$ 82,728	\$ 90,911	\$ 81,834	\$ 76,420	\$ 72,917	\$ 54,621	\$ 44,913
Contributions in relation to contractually required contribution	82,728	90,911	81,834	76,420	72,917	54,621	44,913
Contribution deficiency (excess)	-	-	-	-	-	-	-
Employer's covered payroll	\$ 245,120	\$ 279,726	\$ 259,997	\$ 248,523	\$ 229,660	\$ 185,155	\$ 142,582
Contributions as a percentage of covered employee payroll	33.75 %	32.50 %	31.47 %	30.75 %	31.75 %	29.50 %	31.50 %

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



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**Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements
Performed in Accordance With Government Auditing Standards**

Town of Haynesville
Haynesville, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Haynesville, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Haynesville's basic financial statements and have issued our report thereon dated March 28, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Haynesville'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 the Town of Haynesville's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Haynesville'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 and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 the Town of Haynesville'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 result 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 Town of Haynesville's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kenneth D. Felden & Co., CPAs

Jonesboro, Louisiana
March 28, 2022

SUPPLEMENTAL INFORMATION

Town of Haynesville
Haynesville, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

We have audited the basic financial statements of the Town of Haynesville as of and for the year ended June 30, 2021 and have issued our report thereon dated March 28, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2021 resulted in an unqualified opinion.

A. Summary of Auditor's Report

Report on Internal Control and Compliance Material to Financial Statements

Internal Control

Material Weakness Yes No Significant Deficiencies Yes No

Compliance

Compliance Material to Financial Statements Yes No

B. Findings - Financial Statements Audit

Current Year

No current year findings.

Prior Year

No prior year findings.

Town of Haynesville
Haynesville, Louisiana

Schedule of Compensation Paid Councilpersons
For the Year Ended June 30, 2021

	2021
Linda Beene	\$ 4,800
Dewatha Malone	4,800
Betty Richardson	4,800
Carla Smith	4,800
Valinda Webb	4,800
	\$ 24,000

Town of Haynesville
Haynesville, LouisianaSchedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended June 30, 2021

Beverlee Killgore Mayor		
Salary	\$	32,896
Benefits - Retirement		8,142
Benefits - Insurance		12,589
Reimbursements		154
	\$	<u>53,780</u>

Town of Haynesville
Haynesville, Louisiana

Justice System Funding Schedule - Collecting/Disbursing Entity
For the year ended June 30, 2021

	First Six Month Period Ended 12/31/20	Second Six Month Period Ended 06/30/21
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ 582	\$ 194
Add: Collections (Please enter zeros if no activity within a certain collection type)		
Civil Fees (including refundable amounts such as garnishments or advance deposits)	-	-
Bond Fees	3,590	3,170
Asset Forfeiture/Sale	-	-
Pre-Trial Diversion Program Fees	-	-
Criminal Court Costs/Fees	6,715	13,612
Criminal Fines - Contempt	-	-
Criminal Fines - Other	35,558	64,785
Restitution	-	-
Probation/Parole/Supervision Fees	-	-
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	-	-
Interest Earnings on Collected Balances	-	-
Other (do not include collections that fit into more specific categories above)	-	-
Subtotal Collections	45,863	81,567
Less: Disbursements To Governments & Nonprofits: (Must include one agency name and one collection type on each line and may require multiple lines for the same agency if more than one collection type is applicable. Additional rows may be added as necessary.)		
Louisiana Commission on Law Enforcement	262	729
North Louisiana Crime Lab	3,290	5,530
Treasurer, State of LA CMIS	309	519
Louisiana Supreme Court	49	87
LDH THSCI Trust Fund	370	340
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection (enter zero if no activity to report here)	4	7
Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount (enter zero if no activity to report here)	-	-
Amounts "Self-Disbursed" to Collecting Agency (must include a separate line for each collection type, as applicable) - Example: Criminal Fines - Other (To be reported as a separate line per collection type under this heading, multiple rows may be needed)	-	-
Town of Haynesville - Magistrate Court Cost	2,820	5,670
Town of Haynesville - Bond Fees	3,590	3,170

Town of Haynesville
Haynesville, Louisiana

Justice System Funding Schedule - Collecting/Disbursing Entity
For the year ended June 30, 2021

Town of Haynesville - Fines	35,558	64,785
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies (Please enter zeros if no activity within a certain line item)		
Civil Fee Refunds	-	-
Bond Fee Refunds	-	-
Restitution Payments to Individuals (additional detail is not required)	-	-
Other Disbursements to Individuals (additional detail is not required)	-	-
Payments to 3rd Party Collection/Processing Agencies	-	-
Subtotal Disbursements/Retainage	46,251	80,836
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	\$ 194	\$ 925
Ending Balance of "Partial Payments" Collected but not Disbursed (only applies if collecting agency does not disburse partial payments until fully collected) - This balance is included in the Ending Balance of Amounts Collected but not Disbursed/Retained above.	\$ -	\$ -
Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected (i.e. receivable balance)	\$ -	-
Total Waivers During the Fiscal Period (i.e. non-cash reduction of receivable balances, such as time served or community service)	\$ -	-



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Independent Accountant's Report on Applying Agreed-Upon Procedures

Town of Haynesville
Haynesville, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Town of Haynesville, Louisiana, on the Schedule of Net Position and the Schedule of Revenues, Expenses, and Changes in Net Position for the LCDBG project as of and for the year ended June 30, 2021. The Town of Haynesville is responsible for the presentation of the Schedule of Net Position and the Schedule of Revenues, Expenses, and Changes in Net Position for the LCDBG Public Facilities Program, Street Improvements (Contract 2000425405) as of and for the year ended June 30, 2021, in accordance with accounting standards generally accepted in the United States of America. The sufficiency of these procedures is solely the responsibility of the Town of Haynesville. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

1. Trace balances per the Schedule of Net Position and the Schedule of Revenues, Expenses, and Changes in Net Position for the LCDBG Public Facilities Program, Street Improvements (Contract 2000425405) as of and for the year ended June 30, 2021, to the underlying records used in the audit of the financial statements of the Town of Haynesville, Louisiana as of and for the year ended June 30, 2021.

No exceptions were noted.

2. Verify the mathematical accuracy of the Schedule of Net Position and the Schedule of Revenues, Expenses, and Changes in Net Position for the LCDBG Public Facilities Program, Street Improvements (Contract 2000425405) as of and for the year ended June 30, 2021.

No exceptions were noted.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the applicable standards contained in Government Auditing Standards, issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of those parties specified in the report.

We were not engaged to, and did not, perform an examination or review, the objective of which would be the expression of an opinion on the Schedule of Net Position and the Schedule of Revenues, Expenses, and Changes in Net Position for the LCDBG Public Facilities Program, Street Improvements (Contract 2000425405) as of and for the year ended June 30, 2021. 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.

This report is intended solely for the information and use of management of the Town of Haynesville and is not intended to be and should not be used for any other purpose.

Kenneth D. Falden & Co., CPAs

Jonesboro, Louisiana
March 28, 2022

Town of Haynesville
Haynesville, LouisianaSchedule of Net Position
LCDBG Public Facilities Program, Streets Improvements (Contract 2000425405)
As of June 30, 2021**Assets**

Cash and equivalents	\$	-
Accounts receivable		-
Total Assets		-

Liabilities

Due to General Fund - Streets		-
Total Liabilities		-

Net Position

	\$	-
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Town of Haynesville
Haynesville, Louisiana

Statement of Revenues, Expenses, and Changes in Net Position
LCDBG Public Facilities Program, Streets Improvements (Contract 2000425405)
For the Year Ended June 30, 2021

Revenues

LCDBG Program Income	\$	180,860
Other revenue		-
Total revenues		<u>180,860</u>

Expenses

Administration		-
Acquisition		-
Engineering		-
Construction		180,860
Laboratory Services		-
Construction Inspection		-
Construction Contingencies		-
Total expenses		<u>180,860</u>

Excess (deficiency) of revenues over (under) expenses -

Other financing sources (uses)

Operating transfers in (out)		-
Total other financing sources (uses)		<u>-</u>

Excess revenues and other sources over (under) expenses and other uses -

Net Position - June 30, 2020 -

Net Position - June 30, 2021 \$ -