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November 29, 2021

We are resubmitting the Annual Financial Report and Independent Auditors' Report for the Town of Vinton, Louisiana for the Year Ended September 30, 2020. The revenues and expenditures on the Schedule of Revenues, Expenses and Changes in Net Position 2018-2019 LCDBG Waterline Improvement Project on page 57 was updated based on conversations with the Louisiana Office of Community Development.

Sincerely,



Brian McCain, CPA
Gragson, Casiday & Guillory, LLP

TOWN OF VINTON, LOUISIANA
ANNUAL FINANCIAL REPORT AND INDEPENDENT AUDITORS' REPORTS
YEAR ENDED SEPTEMBER 30, 2020

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TOWN OF VINTON, LA.

Management's Discussion and Analysis

Within this section of the Town of Vinton, LA's (Town) annual financial report, the Town's management is pleased to provide this narrative discussion and analysis of the financial activities of the Town for the fiscal year ended September 30, 2020. The Town's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

FINANCIAL HIGHLIGHTS

- The Town's assets exceeded its liabilities by \$21,428,867 (net position) for the fiscal year reported.
- Total revenues of \$7,274,453 were in excess of total expenditures of \$7,389,799, which resulted in a current year deficit of \$115,346, compared to prior year surplus of \$494,110.
- Total net position is comprised of the following:
 - (1) Net invested in capital assets, of \$18,921,494 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
 - (2) Restricted net position of \$1,716,665.
 - (3) Unrestricted net position of \$790,708.
- The Town's governmental funds reported total ending fund balance of \$3,593,130 this year. This compares to the prior year ending fund balance of \$5,465,375, reflecting a decrease of \$1,872,245 during the current year, compared to an increase of \$494,321 in the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,876,465, or 50% of total General Fund expenditures and 98% of total General Fund revenues including transfers.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

OVERVIEW OF FINANCIAL STATEMENTS

This Management's Discussion and Analysis document introduces the Town's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Town also includes in this report additional information to supplement the basic financial statements. Comparative data is presented when available.

TOWN OF VINTON, LA.

Management's Discussion and Analysis (Continued)

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Town's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Town's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all of the Town's assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town as a whole is improving or deteriorating. Evaluation of the overall health of the Town would extend to other nonfinancial factors such as diversification of the taxpayer base, or the condition of Town infrastructure in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the Town's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Town's distinct activities or functions on revenues provided by the Town's taxpayers.

Both government-wide financial statements distinguish governmental activities of the Town that are principally supported by sales tax and from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include principally general government, public safety and streets. Business-type activities include the electric, water and sewer systems.

The government-wide financial statements are presented on pages 16 and 17 of this report.

FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Town uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Town's most significant funds rather than the Town as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation.

The Town has two kinds of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Town's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

TOWN OF VINTON, LA.

Management's Discussion and Analysis (Continued)

The basic governmental fund financial statements are presented on pages 20 through 23 of this report.

Proprietary funds are reported in the fund financial statements and generally report services for which the Town charges customers a fee. The one Town proprietary fund is classified as an enterprise fund. This enterprise fund essentially encompasses the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the Town organization for electric, water and sewer utilities.

The basic enterprise fund financial statements are presented on pages 24 through 26 of this report.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 27 of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning the Town's budget presentations. Budgetary comparison statements are included as "required supplemental information" for the general fund and the major special revenue fund. These statements and schedules demonstrate compliance with the Town's adopted and final revised budget. Required supplemental information can be found on pages 48 through 49 of this report.

TOWN OF VINTON, LA.

Management's Discussion and Analysis (Continued)

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the Town as a whole. The Town's net position at fiscal year-end is \$21,428,867. The following table provides a summary of the Town's net position:

| | Governmental Activities | | Business-type Activities | | Total | | Percentage Total | |
|---------------------------------------|----------------------------|----------------------------|-----------------------------|----------------------------|----------------------------|----------------------------|---------------------|--------------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Assets: | | | | | | | | |
| Current assets and other assets | \$ 4,051,615 | \$ 5,703,880 | \$ 1,960,507 | \$ 2,258,868 | \$ 6,012,122 | \$ 7,962,748 | 24% | 32% |
| Capital assets | <u>13,672,818</u> | <u>12,188,966</u> | <u>5,490,837</u> | <u>5,003,000</u> | <u>19,163,655</u> | <u>17,191,966</u> | <u>76</u> | <u>68</u> |
| Total assets | <u>\$17,724,433</u> | <u>\$17,892,846</u> | <u>\$ 7,451,344</u> | <u>\$ 7,261,868</u> | <u>\$25,175,777</u> | <u>\$25,154,714</u> | <u>100%</u> | <u>100%</u> |
| Deferred outflows of resources | | | | | | | | |
| | <u>\$ 663,782</u> | <u>\$ 609,909</u> | <u>\$ 251,384</u> | <u>\$ 248,608</u> | <u>\$ 915,166</u> | <u>\$ 858,517</u> | <u>—%</u> | <u>—%</u> |
| Liabilities: | | | | | | | | |
| Current liabilities | \$ 458,890 | \$ 239,177 | \$ 416,474 | \$ 489,021 | \$ 875,364 | \$ 728,198 | 20% | 18% |
| Long-term liabilities | <u>2,514,156</u> | <u>2,422,754</u> | <u>973,347</u> | <u>948,969</u> | <u>3,487,503</u> | <u>3,371,723</u> | <u>80</u> | <u>82</u> |
| Total liabilities | <u>\$ 2,973,046</u> | <u>\$ 2,661,931</u> | <u>\$ 1,389,821</u> | <u>\$ 1,437,990</u> | <u>\$ 4,362,867</u> | <u>\$ 4,099,921</u> | <u>100%</u> | <u>100%</u> |
| Deferred inflows of resources | | | | | | | | |
| | <u>\$ 252,990</u> | <u>\$ 292,382</u> | <u>\$ 46,219</u> | <u>\$ 76,715</u> | <u>\$ 299,209</u> | <u>\$ 369,097</u> | <u>—%</u> | <u>—%</u> |
| Net position: | | | | | | | | |
| Net invested in capital assets | \$13,430,657 | \$11,888,752 | \$ 5,490,837 | \$ 5,003,000 | \$18,921,494 | \$16,891,752 | 88% | 78% |
| Restricted | 1,716,665 | 1,764,946 | - | - | 1,716,665 | 1,764,946 | 8 | 8 |
| Unrestricted | <u>14,857</u> | <u>1,894,744</u> | <u>775,851</u> | <u>992,771</u> | <u>790,708</u> | <u>2,887,515</u> | <u>4</u> | <u>14</u> |
| Total net position | <u>\$15,162,179</u> | <u>\$15,548,442</u> | <u>\$ 6,266,688</u> | <u>\$ 5,995,771</u> | <u>\$21,428,867</u> | <u>\$21,544,213</u> | <u>100%</u> | <u>100%</u> |

The Town continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 8.8 to 1 for 2020 and 23.8 to 1 for 2019 and for business type activities is 4.7 to 1 for 2020 and 4.6 to 1 for 2019. For the Town overall, the current ratio is 6.9 to 1 for 2020 and 10.9 to 1 for 2019. These ratios are strong.

Note that approximately 88% (76% for 2019) of the governmental activities' net position is tied up in capital. The Town uses these capital assets to provide services to its citizens. However, with business type activities, the Town has spent approximately 88% (83% for 2019) of its net position on capital. Capital assets in the business-type activities also provide utility services, but they also generate revenues for this fund. Overall, 88% (78% for 2019) of the Town's total net position is included in capital assets.

TOWN OF VINTON, LA.

Management's Discussion and Analysis (Continued)

The following table provides a summary of the Town's changes in net position:

| | Governmental Activities | | Business-Type Activities | | Total | | Percentage Total | |
|-------------------------------------|----------------------------|------------------|-----------------------------|------------------|------------------|------------------|---------------------|-------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Revenues: | | | | | | | | |
| Program: | | | | | | | | |
| Charges for services /fines | \$ 297,128 | \$ 360,346 | \$ 4,118,988 | \$ 4,456,981 | \$ 4,416,116 | \$ 4,817,327 | 61% | 62% |
| Operating grants | 374,000 | 366,000 | - | 34,488 | 374,000 | 400,488 | 5 | 5 |
| General: | | | | | | | | |
| Sales taxes | 1,198,878 | 1,264,551 | - | - | 1,198,878 | 1,264,551 | 17 | 16 |
| Other taxes | 195,316 | 211,033 | - | - | 195,316 | 211,033 | 3 | 3 |
| Interest | 36,484 | 48,751 | 15,962 | 30,513 | 52,446 | 79,264 | - | - |
| Other | 1,037,697 | 1,078,275 | - | - | 1,037,697 | 1,078,275 | 14 | 14 |
| Total Revenues | 3,139,503 | 3,328,956 | 4,134,950 | 4,521,982 | 7,274,453 | 7,850,938 | 100% | 100% |
| Program expenses: | | | | | | | | |
| General government | 787,652 | 864,229 | - | - | 787,652 | 864,229 | 11% | 12% |
| Public safety: | | | | | | | | |
| Police | 1,351,638 | 1,288,801 | - | - | 1,351,638 | 1,288,801 | 18 | 18 |
| Fire | 279,336 | 274,766 | - | - | 279,336 | 274,766 | 4 | 4 |
| Streets and alley | 706,281 | 747,146 | - | - | 706,281 | 747,146 | 10 | 10 |
| Hurricane related | 170,233 | - | - | - | 170,233 | - | 2 | - |
| Interest | 14,680 | 17,854 | - | - | 14,680 | 17,854 | - | - |
| Electric, water and sewer | - | - | 4,080,249 | 4,164,032 | 4,080,249 | 4,164,032 | 54 | 56 |
| Total Expenses | 3,309,820 | 3,192,796 | 4,080,249 | 4,164,032 | 7,390,069 | 7,356,828 | 100% | 100% |
| Excess (deficiency) | (170,317) | 136,160 | 54,701 | 357,950 | (115,616) | 494,110 | | |
| Transfers | (216,216) | 500,480 | 216,216 | (500,480) | - | - | | |
| Change in net position | (386,263) | 636,640 | 270,917 | (142,530) | (115,616) | 494,110 | | |
| Beginning net position | 15,548,442 | 15,129,468 | 5,995,771 | 6,138,301 | 21,544,213 | 21,267,769 | | |
| Prior period adjustment | - | (217,666) | - | - | - | (217,666) | | |
| Net position – Beginning - restated | 15,548,442 | 14,911,802 | 5,995,771 | 6,138,301 | 21,544,213 | 21,050,103 | | |
| Ending net position | \$15,162,179 | \$15,548,442 | \$ 6,266,688 | \$ 5,995,771 | \$ 21,428,597 | \$21,544,213 | | |

TOWN OF VINTON, LA.

Management's Discussion and Analysis (Continued)

GOVERNMENTAL REVENUES

The Town is heavily reliant on sales taxes to support governmental operations. Sales taxes provided 16% (16% for 2019) of the Town's total revenues. Sales taxes equal 38% (38% for 2019) of the revenues for governmental activities. Also note that program revenues, excluding grants, cover only 94% (93% for 2019) of governmental operating expenses. This means that the government's taxpayers and the Town's other general revenues fund 6% (7% for 2019) of the governmental activities. As a result, the general economy and the local businesses have a major impact on the Town's revenue streams.

GOVERNMENTAL FUNCTIONAL EXPENSES

Police services comprise 18% (18% for 2019) of the Town's total expenses and 41% (40% for 2019) of the total governmental expenses. The total public safety makes up 49% (49% for 2019) of the total governmental expenses.

This table presents the cost of each of the Town's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the Town's taxpayers by each of these functions.

Governmental Activities

| | <u>Total Cost of Services</u> | | <u>Net Cost of Services</u> | |
|----------------------------|-----------------------------------|---------------------|---------------------------------|-----------------------|
| | <u>2020</u> | <u>2019</u> | <u>2020</u> | <u>2019</u> |
| General government | \$ 787,652 | \$ 864,229 | \$ (413,652) | \$ (498,229) |
| Public safety: | | | | |
| Police | 1,351,368 | 1,288,801 | (1,054,240) | (928,455) |
| Fire | 279,336 | 274,766 | (279,336) | (274,766) |
| Streets | 706,281 | 747,766 | (706,281) | (747,146) |
| Hurricane related expenses | 170,233 | - | (170,233) | - |
| Interest on long-term debt | 14,680 | 17,854 | (14,680) | (17,854) |
| Total | <u>\$ 3,309,550</u> | <u>\$ 3,192,796</u> | <u>\$ (2,638,422)</u> | <u>\$ (2,466,450)</u> |

BUSINESS-TYPE ACTIVITIES

Revenues vs. Costs

The operating revenues for the utility funds were 8% less than 2019 and operating expenses were 3% more than 2019. Within the total business type activities of the Town, these activities reported a \$54,701 operating surplus compared to an operating surplus of \$357,950 for the prior year.

However, after contributed capital and transfers in and out, the fund reported an increase of \$270,917, compared to an increase of \$142,530 for the prior year.

TOWN OF VINTON, LA.

Management's Discussion and Analysis (Continued)

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$3,593,130 (\$5,465,375 for 2019), \$1,876,465 and \$3,700,429 of which is unrestricted and unassigned for 2020 and 2019, respectively, indicating availability for continuing Town service requirements.

The total ending fund balances of governmental funds show a decrease of \$1,872,245 compared to an increase of \$494,321 for the prior year.

MAJOR GOVERNMENTAL FUNDS

The General Fund is the Town's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance decreased by \$1,823,964. In fiscal year 2019, the fund balance increased by \$129,875. However, the reader needs to remember that the Town controls these differences by the amount of resources it transfers in from the Sales Tax Fund.

The revenues show a decrease of \$189,452 or 6% more than the prior year, mainly due to fines revenue. The expenditures side show an increase of \$1,460,418 or 44% over the prior year, mainly due to an increase in capital outlay expenditures. Finally, transfers in from the sales tax fund were \$438,786 more than the prior year.

The general fund's ending fund balance is considered adequate, representing the equivalent of 50% of annual current expenditures.

The sales tax fund continues to accumulate strong fund balances; revenues in 2020 were 2.0% more than 2019 and 2.1% less than 2018, which is a direct reflection of the current national and local economy.

THE PROPRIETARY FUND

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term information about financial status.

BUDGETARY HIGHLIGHTS

The General Fund - The actual revenues were more than the final budget by \$20,132 mainly due to fine revenue and the actual expenditures were more than the final budget by \$1,082,255 mainly due to capital outlay expenditures.

The Sales Tax Fund - The actual revenues for the sales tax fund were more than the final budget by \$4,081 mainly due to sales taxes and the actual expenditures were less than the final budget by \$49,370 mainly due to capital outlay expenditures.

TOWN OF VINTON, LA.

Management's Discussion and Analysis (Continued)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The Town's investment in capital assets, for governmental and business-type activities as September 30, 2020, was \$13,430,657 and \$5,490,837 respectively. The overall increase was 12% for the Town as a whole. See Note D for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

| | Governmental Activities | | Business-Type Activities | | Total | |
|-------------------------------|----------------------------|----------------------|-----------------------------|---------------------|----------------------|----------------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Non-depreciable asset: | | | | | | |
| Land | \$ 462,419 | \$ 462,419 | \$ 328,950 | \$ 328,950 | \$ 791,369 | \$ 791,369 |
| Construction in progress | <u>22,756</u> | <u>228,363</u> | <u>46,127</u> | <u>91,008</u> | <u>68,883</u> | <u>319,371</u> |
| Total non-depreciable | 485,175 | 690,782 | 375,077 | 419,958 | 860,252 | 1,110,740 |
| Depreciable assets: | | | | | | |
| Buildings | 2,373,902 | 2,361,262 | 10,283,065 | 9,510,959 | 12,656,967 | 11,872,221 |
| Furniture & equipment | 2,205,134 | 2,200,353 | 370,650 | 370,650 | 2,575,784 | 2,571,003 |
| Transportation equipment | 1,885,435 | 1,885,435 | 869,772 | 869,772 | 2,755,207 | 2,755,207 |
| Infrastructure | <u>14,545,135</u> | <u>12,321,282</u> | <u>-</u> | <u>-</u> | <u>14,545,135</u> | <u>12,321,282</u> |
| Total depreciable assets | 21,009,606 | 18,768,332 | 11,523,487 | 10,751,381 | 32,533,093 | 29,519,713 |
| Less accumulated depreciation | <u>7,821,963</u> | <u>7,270,148</u> | <u>6,407,713</u> | <u>6,168,339</u> | <u>14,229,676</u> | <u>13,438,487</u> |
| Book value-depreciable assets | <u>\$ 13,187,643</u> | <u>\$ 11,498,184</u> | <u>\$ 5,115,774</u> | <u>\$ 4,583,042</u> | <u>\$ 18,303,417</u> | <u>\$ 16,081,226</u> |
| Percentage depreciated | <u>37%</u> | <u>39%</u> | <u>56%</u> | <u>57%</u> | <u>44%</u> | <u>46%</u> |
| Book value-all assets | <u>\$ 13,672,818</u> | <u>\$ 12,188,966</u> | <u>\$ 5,490,851</u> | <u>\$ 5,003,000</u> | <u>\$ 19,163,669</u> | <u>\$ 17,191,966</u> |

At September 30, 2020, the depreciable capital assets for governmental activities were 37% depreciated compared to 39% at September 30, 2019. This comparison indicates that the Town is replacing its assets at less of a rate as they are depreciating which is a negative indicator.

The major additions are 2019-2019 LCDBG Water Line Improvements, Horridge St. Bridge and Roadway, 2020 Overlay Program, and the South Sewer Rehabilitation.

With the Town's business type activities, 56% of the asset values were depreciated at September 30, 2020 compared to 57% at September 30, 2019.

Long-term debt

At the end of the fiscal year, the Town had total bonded debt outstanding of \$242,161. All of this amount is backed by the full faith and credit of the Town (general obligation bonds) with debt service funded by sales taxes.

During the year, the Town retired \$58,053 of the outstanding debt balance. See Note E for additional information regarding long-term debt.

TOWN OF VINTON, LA.

Management's Discussion and Analysis (Continued)

ECONOMIC CONDITIONS AFFECTING THE TOWN

Since the primary revenue stream for the Town is electric charges and sales taxes, the Town's electric charges and sales tax revenues are subject to changes in the economy. Since sales are considered an "elastic" revenue stream, tax collections are higher in a flourishing economy and are lower in a depressed economy.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Town's finances, comply with finance-related laws and regulations, and demonstrate the Town's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact the Town's Clerk, Justin Sittig, 1200 Horridge Street, Vinton, LA 70668.

INDEPENDENT AUDITORS' REPORT

September 21, 2021

To the Honorable Marcus Renfrow, Mayor and the Town Council
Town of Vinton, Louisiana

We have audited the accompanying basic financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units and each major fund of the Town of Vinton, Louisiana, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Vinton, Louisiana'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.

Auditors' 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. 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 auditors' 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 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 respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, and each major fund of the Town of Vinton, Louisiana, as of September 30, 2020, and the respective changes in financial position and cash flows thereof for the year then ended in conformity 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 management's discussion and analysis, budgetary comparison information, schedule of employer's proportionate share of net pension liability and schedule of employer's contributions on pages 3 through 11 and 48 through 51 respectively 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 the 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 principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Vinton, Louisiana's basic financial statements. The schedule of compensation, benefits and other payments to chief executive officer, independent accountants' report on applying agreed upon procedures Louisiana Community Development Block Grant, schedule of net position 2018-2019 LCDBG waterline improvement project and schedule of revenues, expenses and changes in net position 2018-2019 LCDBG waterline improvement project are presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of compensation, benefits and other payments to chief executive officer, independent accountants' report on applying agreed upon procedures Louisiana Community Development Block Grant, schedule of net position 2018-2019 LCDBG waterline improvement project and schedule of revenues, expenses and changes in net position 2018-2019 LCDBG waterline improvement project are the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the schedule of compensation, benefits and other payments to chief executive officer is fairly stated, in all material respects, in relation to the basic financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2021, on our consideration of the Town of Vinton, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Vinton, Louisiana's internal control over financial reporting and compliance.

Shagon, Cassidy: Skillery

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

TOWN OF VINTON, LA.
STATEMENT OF NET POSITION
September 30, 2020

| | Primary Government | | | Component Units |
|---------------------------------------|----------------------------|-----------------------------|----------------------|----------------------|
| | Governmental Activities | Business-Type Activities | Total | |
| ASSETS | | | | |
| Cash | \$ 3,567,489 | \$ 556,511 | \$ 4,124,000 | \$ 15,750,627 |
| Investments | 341,608 | 1,126,386 | 1,467,994 | - |
| Receivables | 142,518 | 277,610 | 420,128 | 111,243 |
| Prepaid expense | - | - | - | 41,415 |
| Capital assets: | | | | |
| Land | 462,419 | 328,950 | 791,369 | - |
| Capital assets, net | 13,210,399 | 5,161,887 | 18,372,286 | 13,483,349 |
| TOTAL ASSETS | <u>\$ 17,724,433</u> | <u>\$ 7,451,344</u> | <u>\$ 25,175,777</u> | <u>\$ 29,386,634</u> |
| DEFERRED OUTFLOWS OF RESOURCES | <u>663,782</u> | <u>\$ 251,384</u> | <u>\$ 915,166</u> | <u>\$ 10,801</u> |
| LIABILITIES | | | | |
| Accounts and other accrued payables | \$ 458,485 | \$ 340,492 | \$ 798,977 | \$ 82,147 |
| Customer meter deposits | - | 75,982 | 75,982 | - |
| Interest payable | 405 | - | 405 | - |
| Long-term liabilities: | | | | |
| Net pension liability | 2,271,995 | 973,347 | 3,245,342 | 36,650 |
| Due within one year | 61,336 | - | 61,336 | - |
| Due after one year | 180,825 | - | 180,825 | - |
| TOTAL LIABILITIES | <u>\$ 2,973,046</u> | <u>\$ 1,389,821</u> | <u>\$ 4,362,867</u> | <u>\$ 118,797</u> |
| DEFERRED INFLOWS OF RESOURCES | <u>252,990</u> | <u>\$ 46,219</u> | <u>\$ 299,209</u> | <u>\$ 1,394</u> |
| NET POSITION | | | | |
| Net invested in capital assets | \$ 13,430,657 | \$ 5,490,837 | \$ 18,921,494 | \$ 13,483,349 |
| Net position - Restricted | 1,716,665 | - | 1,716,665 | - |
| Net position - Unrestricted | 14,857 | 775,851 | 790,708 | 15,793,895 |
| TOTAL NET POSITION | <u>\$ 15,162,179</u> | <u>\$ 6,266,688</u> | <u>\$ 21,428,867</u> | <u>\$ 29,277,244</u> |

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

TOWN OF VINTON, LA.
STATEMENT OF ACTIVITIES
Year Ended September 30, 2020

| Activities | Expenses | Program Revenues | | Net (Expense) Revenues and Changes in Net position | | | Component Units |
|---|---------------------|---|--|---|-----------------------------|----------------------|----------------------|
| | | Fees, Fines and Charges for Services | Operating Grants and Contributions | Primary Government | | Total | |
| | | | | Governmental Activities | Business-Type Activities | | |
| Governmental activities: | | | | | | | |
| General and administrative | 787,652 | \$ - | \$ 374,000 | \$ (413,652) | \$ - | \$ (413,652) | \$ - |
| Streets and alley | 706,281 | - | - | (706,281) | - | (706,281) | - |
| Fire | 279,336 | - | - | (279,336) | - | (279,336) | - |
| Police | 1,351,368 | 297,128 | - | (1,054,240) | - | (1,054,240) | - |
| Hurricane related expenses | 170,233 | - | - | (170,233) | - | (170,233) | - |
| Interest on long-term debt | 14,680 | - | - | (14,680) | - | (14,680) | - |
| Total Governmental Activities | 3,309,550 | 297,128 | 374,000 | (2,638,422) | - | (2,638,422) | - |
| Business-type activities: | | | | | | | |
| Electric, water and sewer | 4,080,249 | 4,118,988 | - | - | 38,739 | 38,739 | - |
| Total primary government | \$ 7,389,799 | \$ 4,416,116 | \$ 374,000 | (2,638,422) | 38,739 | (2,599,683) | - |
| Component Units: | | | | | | | |
| Vinton Public Power Authority | \$ 2,904,028 | \$ 2,235,666 | \$ - | - | - | - | (668,362) |
| General Revenues: | | | | | | | |
| Taxes - | | | | | | | |
| Property taxes, levied for general purposes | | | | 54,650 | - | 54,650 | - |
| Sales and use taxes, levied for general purposes | | | | 1,198,878 | - | 1,198,878 | - |
| Franchise taxes | | | | 24,080 | - | 24,080 | - |
| Licenses and permits | | | | 116,586 | - | 116,586 | - |
| Grants and contributions not restricted to specific programs- | | | | | | | |
| Federal and State sources | | | | 993,746 | - | 993,746 | 31,254 |
| Interest and investment earnings | | | | 36,484 | 15,962 | 52,446 | 93,733 |
| Miscellaneous | | | | 43,951 | - | 43,951 | 3,224,474 |
| Transfers | | | | (216,216) | 216,216 | - | - |
| Total general revenues | | | | 2,252,159 | 232,178 | 2,484,337 | 3,349,461 |
| Change in net position | | | | (386,263) | 270,917 | (115,346) | 2,681,099 |
| Net position - Beginning | | | | 15,548,442 | 5,995,771 | 21,544,213 | 26,596,145 |
| Net position - Ending | | | | \$ 15,162,179 | \$ 6,266,688 | \$ 21,428,867 | \$ 29,277,244 |

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

FUND FINANCIAL STATEMENTS

FUND DESCRIPTIONS

General Fund

The general fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Special Revenue Fund

The special revenue fund is used to account for specific revenues that are legally restricted to expenditures for particular purposes. The fund accounts for the receipt and use of proceeds of the Town's 2 1/2 % sales and use tax.

Capital Projects Fund

The capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Proprietary Funds

Utility Fund #1

To account for the provision of electricity services to residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

Utility Fund #2

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

TOWN OF VINTON, LA.
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2020

| | General | Special Revenue | Capital Projects | Total |
|---|---------------------|--------------------|---------------------|---------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 1,880,441 | \$ 755,716 | \$ 931,332 | \$ 3,567,489 |
| Investments | 341,608 | - | - | 341,608 |
| Receivables: | | | | |
| Accounts | 24,182 | - | - | 24,182 |
| Intergovernmental | 17,490 | - | - | 17,490 |
| Due from other funds | - | 100,830 | 16 | 100,846 |
| TOTAL ASSETS | <u>2,263,721</u> | <u>856,546</u> | <u>931,348</u> | <u>4,051,615</u> |
| DEFERRED OUTFLOWS OF RESOURCES | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | <u>\$ 2,263,721</u> | <u>\$ 856,546</u> | <u>\$ 931,348</u> | <u>\$ 4,051,615</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 241,036 | \$ 383 | \$ 70,846 | \$ 312,265 |
| Accrued vacation payable | 30,390 | - | - | 30,390 |
| Due to other funds | 115,830 | - | - | 115,830 |
| TOTAL LIABILITIES | <u>387,256</u> | <u>383</u> | <u>70,846</u> | <u>458,485</u> |
| DEFERRED INFLOWS OF RESOURCES | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCES | | | | |
| Restricted | - | 856,163 | 860,502 | 1,716,665 |
| Unassigned | 1,876,465 | - | - | 1,876,465 |
| TOTAL FUND BALANCES | <u>1,876,465</u> | <u>856,163</u> | <u>860,502</u> | <u>3,593,130</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | <u>\$ 2,263,721</u> | <u>\$ 856,546</u> | <u>\$ 931,348</u> | <u>\$ 4,051,615</u> |

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

TOWN OF VINTON, LA.
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
September 30, 2020

| | | |
|--|-------------|---------------|
| Total fund balance for governmental fund at September 30, 2020: | | \$ 3,593,130 |
| Total net position reported for governmental activities in the statement of net position is different because: | | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of: | | |
| Land | \$ 462,419 | |
| Capital assets, net of \$7,821,963 accumulated depreciation | 13,210,399 | 13,672,818 |
| Deferred outflows and inflows for pension resources and long-term debt are not financial resources or currently payable: | | |
| Deferred inflows related to pensions | | (252,990) |
| Deferred outflows related to pensions | | 663,782 |
| Long-term liabilities at September 30, 2020: | | |
| Bonds payable | (242,161) | |
| Net pension liability | (2,271,995) | |
| Accrued interest payable | (405) | (2,514,561) |
| Total net position of governmental activities at September 30, 2020 | | \$ 15,162,179 |

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

TOWN OF VINTON, LA.
STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
Year Ended September 30, 2020

| | General | Special Revenue | Capital Projects | Total |
|--|---------------------|--------------------|---------------------|---------------------|
| REVENUES | | | | |
| Taxes | \$ 99,084 | \$ 1,086,061 | \$ - | \$ 1,185,145 |
| Licenses and permits | 116,586 | - | - | 116,586 |
| Intergovernmental | 808,535 | - | 559,211 | 1,367,746 |
| Fines | 297,128 | - | - | 297,128 |
| Interest | 24,370 | 6,720 | 5,394 | 36,484 |
| Video poker | 92,462 | - | - | 92,462 |
| Miscellaneous | 16,952 | 27,000 | - | 43,952 |
| TOTAL REVENUES | <u>1,455,117</u> | <u>1,119,781</u> | <u>564,605</u> | <u>3,139,503</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General and administrative | 741,027 | 19,375 | - | 760,402 |
| Police | 1,222,001 | - | - | 1,222,001 |
| Fire | 184,670 | - | - | 184,670 |
| Streets and alley | 346,070 | - | 3,489 | 349,559 |
| Hurricane related expenses | 170,233 | - | - | 170,233 |
| Capital Outlay | 1,074,786 | - | 960,881 | 2,035,667 |
| Debt Service | | | | |
| Principal | - | 58,053 | - | 58,053 |
| Interest | - | 14,947 | - | 14,947 |
| TOTAL EXPENDITURES | <u>3,738,787</u> | <u>92,375</u> | <u>964,370</u> | <u>4,795,532</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (2,283,670) | 1,027,406 | (399,765) | (1,656,029) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Operating transfers in | 459,706 | - | 236,450 | 696,156 |
| Operating transfers out | - | (912,372) | - | (912,372) |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>459,706</u> | <u>(912,372)</u> | <u>236,450</u> | <u>(216,216)</u> |
| NET CHANGES IN FUND BALANCE | (1,823,964) | 115,034 | (163,315) | (1,872,245) |
| FUND BALANCE - BEGINNING | <u>3,700,429</u> | <u>741,129</u> | <u>1,023,817</u> | <u>5,465,375</u> |
| FUND BALANCE - ENDING | <u>\$ 1,876,465</u> | <u>\$ 856,163</u> | <u>\$ 860,502</u> | <u>\$ 3,593,130</u> |

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

TOWN OF VINTON, LA.
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
Year Ended September 30, 2020

| | |
|---|----------------|
| Total net changes in fund balance at September 30, 2020 per Statement of Revenues, Expenditures and Changes in Fund Balances | \$ (1,872,245) |
|---|----------------|

The change in net position reported for governmental activities in the statement of activities different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

| | | |
|--|-----------|-----------|
| Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances | 2,035,667 | |
| Depreciation expense for the year ended September 30, 2020 | (551,815) | 1,483,852 |

Governmental funds report bonded debt repayments as expenditures. However, this expenditure does not appear in the statement of activities since the payment is applied against the bond payable on the statement of net position.

58,053

Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis

267

Net pension (expense) benefit is reported in the governmental fund as expenditures as they are paid, however, in the statement of activities the net position (expense) benefit is reported according to estimates required by GASB 68.

(56,190)

| | |
|---|---------------------|
| Total changes in net position at September 30, 2020 per Statement of Activities | <u>\$ (386,263)</u> |
|---|---------------------|

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

TOWN OF VINTON, LA.
STATEMENT OF NET POSITION - PROPRIETARY FUND
September 30, 2020

| | |
|---|---------------------|
| ASSETS | |
| Current assets | |
| Cash and cash equivalents | \$ 556,511 |
| Investments | 1,126,386 |
| Receivables, accounts | 262,626 |
| Due from other funds | 14,984 |
| Total current assets | <u>1,960,507</u> |
| Fixed assets, net of accumulated depreciation | 5,490,837 |
| TOTAL ASSETS | <u>\$ 7,451,344</u> |
| | |
| DEFERRED OUTFLOWS OF RESOURCES | <u>251,384</u> |
| | |
| LIABILITIES | |
| Current liabilities | |
| Accounts payable | \$ 336,178 |
| Accrued vacation payable | 4,314 |
| Customer meter deposits | 75,982 |
| Total current liabilities | <u>416,474</u> |
| Net pension liabilities | 973,347 |
| TOTAL LIABILITIES | <u>\$ 1,389,821</u> |
| | |
| DEFERRED INFLOWS OF RESOURCES | <u>46,219</u> |
| | |
| NET POSITION | |
| Net invested in capital assets | \$ 5,490,837 |
| Net position - Unrestricted | 775,851 |
| TOTAL NET POSITION | <u>\$ 6,266,688</u> |

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

TOWN OF VINTON, LA.
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION - PROPRIETARY FUND
Year Ended September 30, 2020

| | |
|---|--------------|
| OPERATING REVENUES | |
| Electricity sales | \$ 2,674,159 |
| Water sales | 393,155 |
| Sewer service charges | 411,019 |
| Vinton Public Power Authority Rebate | 302,612 |
| Vinton Public Power Authority - Administrative Fees | 120,000 |
| Penalties | 85,249 |
| Miscellaneous | 132,794 |
| Total Operating Revenues | 4,118,988 |
| | |
| OPERATING EXPENSES | |
| Electricity department | 3,257,930 |
| Water department | 317,155 |
| Sewer department | 265,790 |
| Depreciation | 239,374 |
| Total Operating Expenses | 4,080,249 |
| | |
| OPERATING INCOME (LOSS) | 38,739 |
| | |
| NON-OPERATING REVENUES (EXPENSES) | |
| Interest income | 15,962 |
| Total Non-Operating Revenues (Expenses) | 15,962 |
| | |
| INCOME (LOSS) BEFORE OPERATING TRANSFERS | 54,701 |
| | |
| Operating transfers in | 891,694 |
| Operating transfers out | (675,478) |
| | 216,216 |
| | |
| CHANGE IN NET POSITION | 270,917 |
| | |
| NET POSITION, BEGINNING | 5,995,771 |
| | |
| NET POSITION, ENDING | \$ 6,266,688 |

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

TOWN OF VINTON, LA.
STATEMENT OF CASH FLOWS -
PROPRIETARY FUND
Year Ended September 30, 2020

| | |
|--|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | |
| Receipts from customers | \$ 4,118,988 |
| Payments to suppliers | (3,229,154) |
| Payments to employees | (432,557) |
| Net cash from operating activities | <u>457,277</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | |
| Interest income | 15,962 |
| Purchase of investments | (12,074) |
| Purchase of fixed assets | (727,210) |
| Net cash from investment activities | <u>(723,322)</u> |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES: | |
| Operating transfers in | 891,694 |
| Operating transfers out | (675,478) |
| Net cash from non-capital financing activities | <u>216,216</u> |
| NET INCREASE (DECREASE) IN CASH | (49,829) |
| CASH - BEGINNING | <u>606,340</u> |
| CASH - ENDING | <u><u>\$ 556,511</u></u> |
| Reconciliation of operating income (loss) to net cash from operating activities: | |
| Operating income (loss) | \$ 38,739 |
| Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities: | |
| Depreciation | 239,374 |
| Net adjustment to deferred outflows/inflows | (33,273) |
| Net adjustment to customer deposits | (31,592) |
| (Increase) decrease in receivables | 260,606 |
| Increase (decrease) in accounts payable and accrued expenses | (40,955) |
| Increase (decrease) in net pension liability | 24,378 |
| Net cash from operating activities | <u>\$ 457,277</u> |

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

TOWN OF VINTON, LA
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Vinton, LA. was incorporated in October, 1910, under the provisions of the Lawrason Act. The purpose of the municipality is to provide services to its citizens, which include sewer, water and electricity; police protection and other services. The municipality has a board of five elected council members who are compensated. The municipality is located in Calcasieu Parish, Louisiana and its population is approximately 3,350.

1. Reporting Entity

As the municipal governing authority, for reporting purposes, the Town of Vinton, LA. is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (municipality), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Statement No. 61 established criteria for determining which component units should be considered part of the Town of Vinton, LA. for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the municipality to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the municipality.
2. Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.
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 this criteria, the Town has determined that the following component units are part of the reporting entity:

Vinton Public Power Authority
Industrial Development Board of the Town of Vinton, LA., Inc.

The Town's Mayor is also responsible for appointing the members of the board of the Housing Authority of Vinton, Louisiana. This agency is considered to be a related organization since the municipality appoints the separate governing board but is not financially accountable for the organization.

Discretely Presented Component Units

Financial data of component units is displayed in the Component Unit column of the combined statements. The reported component units are as follows:

Vinton Public Power Authority (VPPA)

This entry is created by state statutes, which provide for its governance by the municipality creating it. Although legally separate, Vinton Public Power Authority is fiscally dependent upon the Town because of the joint power supply arrangement. The relationship between the Town and Vinton Public Power Authority is such that exclusion would cause the Town's financial statements to be incomplete. Financial data reported for the Vinton Public Power Authority component unit is from its separately audited financial statements for the fiscal year ended September 30, 2020.

TOWN OF VINTON, LA
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Industrial Development Board of the Town of Vinton, Inc. (IDB)

The IDB was incorporated on December 19, 2002 and is a nonprofit organization recognized as a 501(c)(3) organization. Although legally separate, IDB's resources are entirely for the direct benefit of the Town. The IDB is managed by a board of five individuals that are appointed by the Mayor and approved by the Town's council. The relationship between the Town and the IDB is such that exclusion would cause the Town's financial statements to be incomplete. Financial data reported for this component unit is from its separate financial statements for the year ended September 30, 2020, however, IDB had no activity within the current year.

2. Basis of Presentation

The accompanying basic financial statements of the Town of Vinton, LA, have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, "Basic Financial Statements and Management's Discussion and Analysis-for State and Local Governments", issued in June 1999.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Town as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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

Fund Financial Statements

The Town uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Town functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Town are classified into three categories: governmental, proprietary, and fiduciary. The emphasis on fund financial statements is on major funds, each displayed on a separate column. A fund is considered major if it is the primary operating fund of the Town or its total assets, liabilities, revenues, or expenditures of the individual governmental and enterprise fund is at least 10 percent of the corresponding total for all governmental and enterprise funds of that category or type; and total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

TOWN OF VINTON, LA
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

The Town reports the following major funds:

The General Fund is the primary operating fund of the Town. It accounts for all financial resources except those that are required to be accounted for in other funds.

The Special Revenue Fund is used to account for specific revenues that are legally restricted to expenditures for particular purposes. This fund accounts for the receipt and use of proceeds of the Town's 2 ½% sales and use tax.

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities other than these financed by the Enterprise Fund.

The Enterprise Fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises—where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Town's enterprise fund accounts for electricity, water and sewer services.

3. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

TOWN OF VINTON, LA
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

4. Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the general, special revenue, debt service and enterprise funds. All annual appropriations lapse at fiscal year end.

Prior to the beginning of each fiscal year, the Mayor submits a budget to the Town Council. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The Town Council holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated or the revenue estimates must be changed by an affirmative vote of a majority of the government's council.

Expenditures may not legally exceed budgeted appropriations at the activity level.

5. Cash and Investments

Cash

Cash includes amounts in demand deposits with a maturity date within three months of the date acquired by the Town.

State statutes authorize the Town to invest in obligations of the U.S. Treasury, U.S. Government Agencies, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having the principal office in the State of Louisiana, as stipulated in R.S. 39:1271, or any other federally insured investment. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana which generates a local government investment pool.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At September 30, 2020, the Town has \$4,469,528 in deposits (collected bank balances). These deposits are secured from risk by \$4,469,528 of federal deposit insurance and pledged securities held by the custodial bank in the name of the fiscal agent bank.

TOWN OF VINTON, LA
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Investments

State statutes authorize the Town to invest in Louisiana Asset Management Pool (LAMP), U.S. Treasury notes and bonds, U.S. agency securities, and other governmental debt obligations with limited exceptions as noted in LA-R.S. 33.2955. Investments in time certificates of deposits can be placed with state banks, national banks or federal credit unions as permitted in state statute. Corporate bonds can be purchased with from companies incorporated in the United States, with a Standard and Poor's credit rating of AA- and have a maturity date of 5 years or less.

As of September 30, 2020, the Town had its assets in money market instruments, certificates of deposits, U.S. agency securities and municipal bonds held in custody by financial institutions. The below schedule identifies the investments by type:

| Type of Debt Investment | Fair Value | Maturity | | | Credit Rating (Standards and Poor's) |
|--|--------------|---------------------|-----------------|------------------|--|
| | | Less than 1 Year | 1 to 5 Years | 6 to 10 Years | |
| Investments at fair value | | | | | |
| U.S. Government Agency Securities | | | | | |
| Farm Credit System | 40,003 | - | 40,003 | - | AA+ |
| Corporate Bonds | | | | | |
| Brookshire Hathaway | 16,015 | 16,015 | - | - | AA |
| Walmart Inc | 39,134 | 39,134 | - | - | AA |
| Apple Inc | 40,686 | - | 40,686 | - | AA+ |
| Exxon Mobil Corp | 23,719 | - | 23,719 | - | AA |
| Chevron Corp | 148,417 | - | 148,417 | - | AA- |
| Subtotal | 307,974 | 55,149 | 252,825 | - | |
| Investments measured at the net asset value (NAV) | | | | | |
| Exchange Trade Funds | | | | | |
| SPDR Port Mrtgg bckd bnd | 26,640 | 26,640 | - | - | AAA |
| External Investment Pool | 1,126,387 | 1,126,387 | - | - | AAAm |
| Subtotal | 1,153,027 | 1,153,027 | - | - | |
| Total investments measured at fair value | 1,461,001 | 1,208,176 | 252,825 | - | |
| Investments reported at cost | | | | | |
| Liquid insured deposits | 6,993 | 6,993 | - | - | |
| Total Investments | \$ 1,467,994 | \$ 1,215,169 | \$ 252,825 | \$ - | |

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Town has the following recurring fair value measurements as of September 30, 2020:

Level 2 inputs – U.S. government agency securities and corporate bonds totaling \$307,974 are valued using a market based approach comprised of a combination of directly observable quoted prices and a matrix pricing technique that relies on the securities' relationship to other benchmark quoted securities.

Interest Rate Risk: The Town's policy on investments states that safety of principal is the foremost objective, followed by liquidity and yield. Each investment transaction shall seek to first insure that capital losses are avoided no matter the sources.

Credit Rate Risk: The Town's has investments in an external investment pool \$1,126,387 that is rated AAAM by Standard & Poor's. Its policy states that investment decisions should not incur unreasonable risks in order to obtain current investment income and requires the overall quality rating to be no lower than AA- as measured by Standard & Poor's or the equivalent rating (Aa3) by Moody's Investor Service.

TOWN OF VINTON, LA
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Concentration of Credit Risk: The Town's investment portfolio had concentration of credit risk on September 30, 2020 due to the holdings of securities issued by the following U.S. Agencies and Corporate bonds that are both permitted by Statute and by the Town's Investment Policy. The Town's investment portfolio consisted of 3% of securities issued by the Farm Credit Bank, 1% Brookshire Hathaway Corporation bonds, 3% Walmart Inc bonds, 3% Apple Inc bonds, 2% Exxon Mobil Corporation bonds, 10% invested in Chevron Corporation bonds, 2% SPDR Portfolio Mortgage Backed Bond Exchange Trade Fund, 77% in money market investments in LAMP.

Custodial Credit Risk-Investments: For an investment, this is the risk that, in the event of the failure of the counter party, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town's policy addresses custodial credit risk for investments by requiring that they must be held by national banks, state chartered banks or a national or state trust company in the name of the Town.

The \$1,126,387 in money market investments is invested in LAMP. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33.2955. LAMP is a governmental investment pool that reports at fair value. The following facts are relevant for investment pools:

Credit risk: LAMP is rated AAAM by Standard & Poor's.

Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.

Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments.

6. Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet.

7. Accounts Receivable

Uncollectible amounts due for ad valorem taxes and other receivables of governmental funds are recognized as bad debts at the time information becomes available which would indicate that the particular receivable is not collectible.

The Town utilizes the allowance method for proprietary funds to recognize doubtful accounts. The allowance for doubtful accounts at September 30, 2020 was \$-0-.

There appears to be concentration of credit risk with regard to general accounts receivable and more specifically accounts receivable for electricity, water and sewer user fees in the Enterprise

TOWN OF VINTON, LA
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Funds. The Town's ability to collect the amounts due from the users of the Town electricity, water and sewer system and others (as reflected on the financial statements) may be affected by significant economic fluctuations, natural disaster or other calamity in this one concentrated geographic location.

8. Capital Assets

Capital assets, which include property, plant and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

| | |
|-------------------------------------|-------------|
| Infrastructure, buildings and plant | 15-50 years |
| Furniture and equipment | 5-15 years |
| Transportation equipment | 3-5 years |

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

9. Statement of Cash Flows

For the purpose of the statement of cash flows for the enterprise fund, the Town considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

10. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. In accordance with the provisions of Statement of Financial Accounting Standards No. 43, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to retirement. At September 30, 2020 the municipality's liability for compensated absences was \$44,338.

11. Long - Term Debt

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

TOWN OF VINTON, LA
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of bonds. Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

12. Equity Classification

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

- a. Net invested in capital assets – 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 those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position— All other net position that does not meet the definition of “restricted” or “net invested in capital assets”.

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as restricted, assigned and unassigned.

- a. Restricted fund balance – Includes fund balance amounts that are intended to be used for specific purposes which are externally imposed.
- b. Assigned fund balance – Includes fund balance amounts that are intended to be used for specific purposes based on internal (Board) actions.
- c. Unassigned fund balance – Includes positive fund balance within the general fund which has not been classified within the above mentioned categories.

Proprietary fund equity is classified the same as in the government-wide statements.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is uncured for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, than assigned funds, and finally unassigned funds, as needed, unless Board members or the finance committee has provided otherwise in its commitment or assignment actions.

13. Sales Taxes

2 ½ % Sales Tax

Proceeds of a 2 ½% sales and use tax levied by the Town of Vinton, LA. are dedicated to the following purposes:

1. Proceeds from 1%, being collected since April 1, 1975, is not dedicated for any special purpose and may be utilized for any lawful purpose.
2. Proceeds from 1%, being collected since July 1, 1979, is to provide additional funds for

TOWN OF VINTON, LA
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

the purposes of constructing and acquiring additions, extensions, and improvements to the sewerage collection, disposal and treatment plant system and other capital improvements; paying indebtedness incurred for said purposes or for any other lawful corporate purpose.

3. Proceeds from the ½% tax being collected since January 1, 1997, is for the following purposes: 75% for the maintenance and overlay of the hard surfaced streets; 25% for the fire department capital outlay and for the payment of insurance and utilities incurred relative to the operation of the fire stations.

14. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

15. Revenues, Expenditures, and Expenses

Program Revenues

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

Revenues

Ad valorem taxes and the related state revenue sharing are recorded in the year taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January and February of the fiscal year. Sales taxes are considered as "measurable" when in the hands of sales tax collector and are recognized as revenue at that time. Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

Expenditures

The Town primary expenditures include salaries and insurance, which are recorded when the liability is incurred. Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased.

Other Financing Sources

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) when the transfer is authorized by the Town.

16. Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows

TOWN OF VINTON, LA
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

NOTE B - PROPERTY TAXES

For the year ended September 30, 2020 taxes of 5.380 mills were levied on property with assessed valuations totaling \$9,442,130 and were dedicated as follows:

General corporate purposes 5.380 mills

Total taxes levied were \$50,799.

NOTE C - RECEIVABLES

The following is a summary of receivables for September 30, 2020:

| | Governmental Funds | Proprietary Funds |
|----------------------|-----------------------|----------------------|
| Charges for services | \$ 24,182 | \$ 262,626 |
| Intergovernmental | 17,490 | - |
| Due from other funds | <u>100,846</u> | <u>14,984</u> |
| | <u>\$ 142,518</u> | <u>\$ 277,610</u> |

NOTE D – CAPITAL ASSETS

A summary of changes in capital assets for the year ended September 30, 2020 follows:

| | Beginning of Year | Additions | Deletions | End of Year |
|--|----------------------|---------------------|-----------------------|----------------------|
| Governmental activities: | | | | |
| Land | \$ 462,419 | \$ - | \$ - | \$ 462,419 |
| Buildings | 2,361,262 | 12,640 | - | 2,373,902 |
| Furniture and Equipment | 2,200,353 | 4,781 | - | 2,205,134 |
| Transportation Equipment | 1,885,435 | - | - | 1,885,435 |
| Infrastructure | 12,321,282 | 2,223,853 | - | 14,545,135 |
| Construction In Progress | <u>228,363</u> | <u>2,018,704</u> | <u>(2,224,311)</u> | <u>22,756</u> |
| Totals at historical cost | 19,459,114 | 4,259,978 | (2,224,311) | 21,494,781 |
| Less accumulated depreciation for: | | | | |
| Buildings | 1,048,200 | 53,674 | - | 1,101,874 |
| Furniture and Equipment | 1,779,349 | 111,226 | - | 1,890,575 |
| Transportation Equipment | 1,303,495 | 88,880 | - | 1,392,375 |
| Infrastructure | <u>3,139,104</u> | <u>298,035</u> | <u>-</u> | <u>3,437,139</u> |
| Total accumulated depreciation | <u>7,270,148</u> | <u>551,815</u> | <u>-</u> | <u>7,821,963</u> |
| Governmental activities capital Assets, Net | <u>\$ 12,188,966</u> | <u>\$ 3,708,163</u> | <u>\$ (2,224,311)</u> | <u>\$ 13,672,818</u> |

TOWN OF VINTON, LA.
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE D – CAPITAL ASSETS - CONTINUED

| | | | | |
|--|---------------------|-------------------|--------------------|---------------------|
| Business Type Activities: | | | | |
| Land | \$ 328,950 | \$ - | \$ - | \$ 328,950 |
| Buildings and plant | 9,510,959 | 772,092 | - | 10,283,051 |
| Furniture and equipment | 370,650 | - | - | 370,650 |
| Transportation equipment | 869,772 | - | - | 869,772 |
| Construction in progress | <u>91,008</u> | <u>725,675</u> | <u>(770,556)</u> | <u>46,127</u> |
| Totals at historical cost | 11,171,339 | 1,497,781 | (770,556) | 11,898,550 |
| Less accumulated depreciation for: | | | | |
| Buildings and plant | 5,350,798 | 189,473 | - | 5,540,271 |
| Furniture and equipment | 203,536 | 19,187 | - | 222,723 |
| Transportation equipment | <u>614,005</u> | <u>30,714</u> | <u>-</u> | <u>644,719</u> |
| Total accumulated depreciation | <u>6,168,339</u> | <u>239,374</u> | <u>-</u> | <u>6,407,713</u> |
| Business-type activities capital assets, net | <u>\$ 5,003,000</u> | <u>\$ 578,845</u> | <u>\$ (91,008)</u> | <u>\$ 5,490,837</u> |

Depreciation expense was charged to governmental activities as follows:

| | |
|----------------------------|-------------------|
| General and administrative | \$ 40,942 |
| Streets and park | 356,722 |
| Fire | 59,485 |
| Police | <u>94,666</u> |
| Total | <u>\$ 551,815</u> |

The construction in progress consists of the following projects:

| | <u>Estimated Completion Date</u> | <u>Total Budgeted</u> | <u>Construction In Progress</u> |
|----------------------------------|--------------------------------------|---------------------------|-------------------------------------|
| Governmental Activities: | | | |
| 2020 Sidewalk Improvement | March 2021 | \$ <u>82,000</u> | \$ <u>22,756</u> |
| Business-Type Activities | | | |
| Center St Lift Station | March 2021 | 80,000 | 39,561 |
| CWEF US 90 Waterline Replacement | December 2021 | 121,000 | 4,576 |
| Water Treatment Plant Discharge | 2022 | <u>715,000</u> | <u>1,990</u> |
| | | <u>\$ 916,000</u> | <u>\$ 46,127</u> |

Construction in progress is being paid with sales tax revenues received through the special revenues fund.

NOTE E – LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended September 30, 2020:

| | <u>Beginning of Year</u> | <u>Issued</u> | <u>Retired</u> | <u>End of Year</u> | <u>Amounts Due Within One Year</u> |
|--------------------------|------------------------------|---------------|----------------|------------------------|--|
| Governmental Activities: | | | | | |
| Bonds payable: | | | | | |
| General Obligation | \$ 300,214 | \$ - | \$ 58,053 | \$ 242,161 | \$ 61,336 |

The payments on the bonds payable are made by the general and special revenue funds.

TOWN OF VINTON, LA.
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2020

NOTE E – LONG-TERM LIABILITIES - CONTINUED

Long-term liabilities at September 30, 2020 are comprised of the following individual issues:

General Obligation Bonds:

\$870,000 Public improvement bonds dated May 26, 2007
 due in monthly installments of \$6,124 -through
 May 15, 2024; interest at 5.37% \$ 242,161

The annual requirements to amortize all bonds are as follows:

| Year Ending <u>September 30,</u> | <u>Governmental Activities</u> | |
|-------------------------------------|--------------------------------|------------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2021 | \$ 61,336 | \$ 11,664 |
| 2022 | 64,760 | 15,520 |
| 2023 | 68,375 | 8,240 |
| 2024 | 47,690 | 978 |
| 2025 | - | - |
| | <u>\$ 242,160</u> | <u>\$ 36,402</u> |

The Town has outstanding general obligation bonds totaling \$242,160 and notes from direct borrowings and direct placements totaling \$0. As of year end the Town has no unused lines of credit nor any assets pledged as collateral. The remedies for significant events of default is all installments to be immediately due and payable. In addition, the town will pay reasonable attorney fees and other such expenses.

NOTE F - PENSION PLAN

Substantially all employees of the Town of Vinton, LA. are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana or Municipal Police Employees Retirement System of Louisiana. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. Municipal Employees Retirement System of Louisiana (System)

Plan Description. 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 municipality funds and all elected municipal officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at any age with at least 25 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 60 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

TOWN OF VINTON, LA.
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE F - PENSION PLAN - CONTINUED

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.5% of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rate is 27.75% of annual covered payroll. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by R. S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town contributions to the System under Plan A for the year ending September 30, 2020 was \$228,625.

At September 30, 2020, the Town reported a liability of \$1,867,070 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to their pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2020, the Town's proportion was .431875%.

For the year ended September 30, 2020, the City recognized pension expense (benefit) of \$(22,585) including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$9,044. At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience | \$ 866 | \$ 10,582 |
| Difference between expected and actual investment | 186,326 | - |
| Difference between expected and actual assumptions | 31,413 | - |
| Changes in proportion and differences between: | | |
| Contributions and proportionate share of contributions | - | 75,352 |
| Contributions subsequent to the measurement date | 228,625 | - |
| Total | \$ 447,230 | \$ 85,934 |

\$228,625 reported as deferred outflows of resources related to pensions resulting from Town's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2021. Other accounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

TOWN OF VINTON, LA.
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2020

NOTE F - PENSION PLAN - CONTINUED

| Year ended September 30: | Amount |
|--------------------------|-----------|
| 2021 | \$ 48,668 |
| 2022 | 68,610 |
| 2023 | 51,381 |
| 2024 | 36,356 |
| 2025 | - |
| Thereafter | - |

Actuarial methods and assumption. The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

The components on net pension liability of the System's employers as of June 30, 2020 are as follows:

| | |
|-----------------------------|-----------------------|
| Total Pension Liability | \$ 1,218,616,969 |
| Plan Fiduciary Net Pension | 786,276,078 |
| Total Net Pension Liability | <u>\$ 432,340,891</u> |

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 |
| Investment Rate of Return | 6.95% |
| Expected Remaining Service Lives | 3 years |
| Projected Salary Increases | 6.4% for 1 to 4 years of service 4.5% for more than 4 years of service |
| Annuitant and beneficiary mortality | PubG-2010(B) Healthy Retiree Table se equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales. |
| Mortality | PubG-2010(B) Healthy Retiree Table se equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales. |
| Disabled lives mortality | PubG-2010(B) Healthy Retiree Table se equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales. |

TOWN OF VINTON, LA.
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE F - PENSION PLAN - CONTINUED

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing 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.

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 Asset Allocation | Long-Term Expected Portfolio 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 | | 2.60% |
| Expected Arithmetic Nominal Return | | 7.00% |

The discount rate used to measure the total pension liability was 6.95%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to changes in discount rate. The following presents the net pension liability of the Town calculated using the discount rate of 6.95%, as well as what the employers' 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.

| | Changes in Discount Rate 2020 | | |
|-------------------------------|-------------------------------|-----------------------------------|----------------------|
| | 1% Decrease 5.95% | Current Discount Rate 6.95% | 1% Increase 7.95% |
| Net Pension Liability (Asset) | \$ 2,428,986 | \$ 1,867,070 | \$ 1,392,135 |

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

Plan Description. All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire with 30 years of creditable service at any age or at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life,

TOWN OF VINTON, LA.
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE F - PENSION PLAN – CONTINUED

equal to 3 1/3% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (225) 929-7411.

Funding Policy. Plan members are required by state statute to contribute 10% of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rate is 32.50% of annual covered payroll. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town contributions to the System for the year ending September 30, 2020 was \$150,624.

At September 30, 2020, the Town reported a liability of \$1,378,272 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to their pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2020, the Town's proportion was .149126%.

For the year ended September 30, 2020, the Town recognized pension expense (benefit) of \$69,882 including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$7,753. At September 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience | \$ - | \$ 54,289 |
| Difference between expected and actual investment | 165,351 | - |
| Difference between expected and actual assumptions | 32,751 | 34,014 |
| Changes in proportion and differences between: | | |
| Contributions and proportionate share of contributions | 119,210 | 124,972 |
| Contributions subsequent to the measurement date | 150,624 | - |
| Total | \$ 467,936 | \$ 213,275 |

\$150,624 reported as deferred outflows of resources related to pensions resulting from Town's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2021. Other accounts reported as deferred

TOWN OF VINTON, LA.
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2020

NOTE F - PENSION PLAN - CONTINUED

outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year ended September 30:</u> | <u>Amount</u> |
|---------------------------------|---------------|
| 2021 | \$ 45,540 |
| 2022 | 22,725 |
| 2023 | 58,642 |
| 2024 | 39,154 |
| 2025 | - |
| Thereafter | - |

Actuarial methods and assumption. The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

The components on net pension liability of the System's employers as of June 30, 2019 are as follows:

| | |
|-----------------------------|-----------------------|
| Total Pension Liability | \$ 3,180,974,031 |
| Plan Fiduciary Net Pension | 2,256,740,977 |
| Total Net Pension Liability | <u>\$ 924,233,054</u> |

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 |
| Investment Rate of Return | 6.950% (Net of investment expense) |
| Expected Remaining Service Lives | 4 years |
| Inflation Rate | 2.50% |

TOWN OF VINTON, LA.
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2020

NOTE F - PENSION PLAN - CONTINUED

Mortality

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.

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.

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.

Cost-of-Living Adjustments

The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

| Salary increases, Including inflation and merit | Years of Service | Salary Growth Rate |
|--|------------------|--------------------|
| | 1-2 | 12.30% |
| | Above 2 | 4.70% |

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

| Asset Class | June 30, 2020 | |
|-------------------------|----------------------|---|
| | Target Allocation | Long Term Expected Portfolio Real Rate of Return |
| Equity | 48.50% | 3.08% |
| Fixed Income | 33.50% | 0.54% |
| Alternative | 18.00% | 1.02% |
| Other | 0.00% | 0.00% |
| Totals | 100.00% | 4.64% |
| Inflation | | 2.55% |
| Expected Nominal Return | | 7.19% |

The discount rate used to measure the total pension liability was 6.95%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF VINTON, LA.
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE F - PENSION PLAN - CONTINUED

Sensitivity to changes in discount rate. The following presents the net pension liability of the Town calculated using the discount rate of 6.95%, as well as what the employers' 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.

| | Changes in Discount Rate 2020 | | |
|-------------------------------|-------------------------------|------------------------|-------------|
| | 1% Decrease | Current | 1% Increase |
| | 5.95% | Discount Rate 6.95% | 7.95% |
| Net Pension Liability (Asset) | \$ 1,936,325 | \$ 1,378,272 | \$ 911,762 |

NOTE G- RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The municipality maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the municipality. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE H- POWER SALES CONTRACT

The Town is obligated to purchase from Vinton Public Power Authority, a related entity, all power and energy required for the operation of the municipality's electric system on a "take or pay" basis. This contract expires on June 21, 2021 or when the debt of Vinton Public Power Authority is paid off, whichever occurs first.

NOTE I- CONTINGENCIES

The Town participates in a number of federal and state grant programs that are either partially or fully funded by grants received from other governmental units. Such grants are subject to audit by the grantor agencies which could result in requests for reimbursement to the granting agency for expenditures that are disallowed under the terms of the grant. Based on past experience, the Town believes that any disallowed costs as a result of such audits will be immaterial.

NOTE J – INTERFUND RECEIVABLES AND PAYABLES

Individual amounts due from/to other funds at September 31, 2020, are as follows:

| | Due from | Due to |
|------------------|------------|------------|
| General | \$ - | \$ 115,830 |
| Special revenue | 100,830 | - |
| Capital projects | 16 | - |
| Proprietary | 14,984 | 16 |
| | \$ 115,846 | \$ 115,846 |

NOTE K – OPERATING TRANSFERS IN/OUT

| | Transfers in | Transfers out |
|------------------|--------------|---------------|
| General | \$ 459,706 | \$ - |
| Special Revenue | - | 912,372 |
| Capital projects | 236,450 | - |
| Proprietary | 813,442 | 597,226 |
| | \$ 1,509,598 | \$ 1,509,598 |

TOWN OF VINTON, LA.
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

NOTE L - COUNCIL MEMBERS COMPENSATION

Each council member receives monthly compensation. The following is a list of council members and their compensation for the fiscal year ended September 30, 2020:

| | |
|-------------------|------------------|
| Diane Conner | \$ 3,600 |
| William Loyd, Jr. | 3,600 |
| Stephanie Hardy | 3,600 |
| Marcus Renfrow | 3,600 |
| Paul Patin | <u>3,600</u> |
| | <u>\$ 18,000</u> |

The compensation paid to the Mayor and the police chief for the year ended September 30, 2020, is as follows:

| | |
|------------------------|------------------|
| Kenneth Stinson, Mayor | <u>\$ 40,846</u> |
| R.D. Fox, Chief | <u>\$ 48,090</u> |

NOTE M – SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 21, 2021, the date the financial statements were available for issue.

NOTE N – COMMITMENTS AND CONTINGENCIES

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may impact the School Board's ongoing operations; however, the extent and severity of the potential impact is unknown at this time.

On August 27, 2020 Hurricane Laura made landfall in Southwest Louisiana as a Category 4 hurricane which was followed by Hurricane Delta on October 8, 2020. The full extent of damages to the Town's facilities or effects on operations have not been determined.

REQUIRED SUPPLEMENTAL INFORMATION

TOWN OF VINTON, LA.
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
 Year Ended September 30, 2020

| | Budget | | Actual | Variance |
|---|---------------------|---------------------|---------------------|----------------------------|
| | Original | Final | | Favorable (Unfavorable) |
| REVENUES | | | | |
| Taxes | \$ 86,000 | \$ 83,000 | \$ 99,084 | \$ 16,084 |
| Licenses and permits | 135,500 | 127,500 | 116,586 | (10,914) |
| Intergovernmental | 786,100 | 776,100 | 808,535 | 32,435 |
| Video poker | 120,000 | 116,000 | 92,462 | (23,538) |
| Fines | 350,000 | 265,000 | 297,128 | 32,128 |
| Interest | 15,000 | 15,000 | 24,370 | 9,370 |
| Miscellaneous | 28,500 | 52,385 | 16,952 | (35,433) |
| Total Revenues | <u>1,521,100</u> | <u>1,434,985</u> | <u>1,455,117</u> | <u>20,132</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General and administrative | 760,718 | 750,584 | 741,027 | 9,557 |
| Streets and alley | 408,265 | 363,509 | 346,070 | 17,439 |
| Fire | 183,474 | 183,474 | 184,670 | (1,196) |
| Police | 1,193,090 | 1,253,752 | 1,222,001 | 31,751 |
| Hurricane related expenses | - | - | 170,233 | (170,233) |
| Capital outlay | 135,500 | 105,213 | 1,074,786 | (969,573) |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Total Expenditures | <u>2,681,047</u> | <u>2,656,532</u> | <u>3,738,787</u> | <u>(1,082,255)</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (1,159,947) | (1,221,547) | (2,283,670) | (1,062,123) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Operating transfers in | 1,004,700 | 1,202,600 | 459,706 | (742,894) |
| Operating transfers out | - | (1,133,090) | - | 1,133,090 |
| Total other financing sources (uses) | <u>1,004,700</u> | <u>69,510</u> | <u>459,706</u> | <u>390,196</u> |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES | (155,247) | (1,152,037) | (1,823,964) | (671,927) |
| FUND BALANCE - BEGINNING | <u>3,700,429</u> | <u>3,700,429</u> | <u>3,700,429</u> | <u>-</u> |
| FUND BALANCE - ENDING | <u>\$ 3,545,182</u> | <u>\$ 2,548,392</u> | <u>\$ 1,876,465</u> | <u>\$ (671,927)</u> |

TOWN OF VINTON, LA.
 BUDGETARY COMPARISON SCHEDULE - SALES TAX FUND
 Year Ended September 30, 2020

| | Budget | | Actual | Variance |
|---|--------------------|-------------------|-------------------|----------------------------|
| | Original | Final | | Favorable (Unfavorable) |
| REVENUES | | | | |
| Sales taxes | \$ 1,125,000 | \$ 1,110,000 | \$ 1,086,061 | \$ (23,939) |
| Intergovernmental | - | - | - | - |
| Interest | 3,000 | 5,700 | 6,720 | 1,020 |
| Miscellaneous | - | - | 27,000 | 27,000 |
| Total Revenues | <u>1,128,000</u> | <u>1,115,700</u> | <u>1,119,781</u> | <u>4,081</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General and administrative | 7,875 | 7,875 | 19,375 | (11,500) |
| Fire | 11,250 | 11,250 | - | 11,250 |
| Capital outlay | - | 49,620 | - | 49,620 |
| Debt service | | | | |
| Interest | 14,947 | 14,947 | 14,947 | - |
| Principal | 58,053 | 58,053 | 58,053 | - |
| Total Expenditures | <u>92,125</u> | <u>141,745</u> | <u>92,375</u> | <u>49,370</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 1,035,875 | 973,955 | 1,027,406 | 53,451 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Operating transfers in | - | - | - | - |
| Operating transfers out | (1,018,750) | (897,430) | (912,372) | (14,942) |
| Total other financing sources (uses) | <u>(1,018,750)</u> | <u>(897,430)</u> | <u>(912,372)</u> | <u>(14,942)</u> |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES | 17,125 | 76,525 | 115,034 | 38,509 |
| FUND BALANCE - BEGINNING | <u>741,129</u> | <u>741,129</u> | <u>741,129</u> | <u>-</u> |
| FUND BALANCE - ENDING | <u>\$ 758,254</u> | <u>\$ 817,654</u> | <u>\$ 856,163</u> | <u>\$ 38,509</u> |

TOWN OF VINTON, LA
Schedule of Employer's Proportionate Share of Net Pension Liability
Year Ended September 30, 2020*

Municipal Employees' Retirement System of Louisiana:

| | <u>September 30, 2020</u> | <u>September 30, 2019</u> | <u>September 30, 2018</u> | <u>September 30, 2017</u> | <u>September 30, 2016</u> | <u>September 30, 2015</u> |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Employer's portion of the net pension liability (asset) | 0.431875% | 0.432019% | 0.465020% | 0.4833340% | 0.4789009% | 0.4676539% |
| Employer's proportionate share of the net pension liability (asset) | \$ 1,867,172 | \$ 1,805,160 | \$ 1,925,498 | \$ 2,021,990 | \$ 1,962,877 | \$ 1,670,533 |
| Employer's covered payroll | \$ 801,296 | \$ 803,646 | \$ 849,460 | \$ 858,172 | \$ 872,337 | \$ 804,258 |
| Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 233.01% | 224.62% | 226.67% | 235.61% | 225.01% | 207.71% |
| Plan fiduciary net position as a percentage of the total pension liability | 64.52% | 64.68% | 63.94% | 63.49% | 63.34% | 74.0% |

Municipal Police Employees' Retirement System:

| | <u>September 30, 2020</u> | <u>September 30, 2019</u> | <u>September 30, 2018</u> | <u>September 30, 2017</u> | <u>September 30, 2016</u> | <u>September 30, 2015</u> |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Employer's portion of the net pension liability (asset) | 0.149126% | 0.139440% | 0.1632570% | 0.1325840% | 0.1327660% | 0.1316580% |
| Employer's proportionate share of the net pension liability (asset) | \$ 1,378,272 | \$ 1,266,349 | \$ 1,380,185 | \$ 1,157,414 | \$ 1,244,391 | \$ 1,031,403 |
| Employer's covered payroll | \$ 458,552 | \$ 444,868 | \$ 441,339 | \$ 406,136 | \$ 376,751 | \$ 357,772 |
| Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 300.57% | 284.66% | 312.73% | 284.98% | 330.30% | 288.28% |
| Plan fiduciary net position as a percentage of the total pension liability | 70.94% | 71.01% | 71.89% | 70.08% | 70.73% | 76.18% |

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

*The amounts presented have a measurement date of June 30, 2020.

TOWN OF VINTON, LA
Schedule of Employer's Contributions
Year Ended September 30, 2020

Municipal Employees' Retirement System of Louisiana:

| Date | Contractually Required Contribution | Contributions in Relation to Contractually Required Contribution | Contribution Deficiency (Excess) | Employer's Covered Employee Payroll | Contributions as a % of Covered Employee Payroll |
|------|---|--|--|--|--|
| 2015 | \$ 158,873 | \$ 158,873 | \$ - | \$ 804,258 | 19.75% |
| 2016 | \$ 179,420 | \$ 179,420 | \$ - | \$ 872,337 | 20.57% |
| 2017 | \$ 199,675 | \$ 199,675 | \$ - | \$ 858,172 | 23.27% |
| 2018 | \$ 212,975 | \$ 212,975 | \$ - | \$ 849,460 | 25.07% |
| 2019 | \$ 215,514 | \$ 215,514 | \$ - | \$ 803,646 | 26.82% |
| 2020 | \$ 228,625 | \$ 228,625 | \$ - | \$ 801,296 | 28.53% |

Municipal Police Employees' Retirement System:

| Date | Contractually Required Contribution | Contributions in Relation to Contractually Required Contribution | Contribution Deficiency (Excess) | Employer's Covered Employee Payroll | Contributions as a % of Covered Employee Payroll |
|------|---|--|--|--|--|
| 2015 | \$ 110,773 | \$ 110,773 | \$ - | \$ 357,772 | 30.96% |
| 2016 | \$ 114,004 | \$ 114,004 | \$ - | \$ 376,751 | 30.26% |
| 2017 | \$ 128,083 | \$ 128,083 | \$ - | \$ 406,136 | 31.54% |
| 2018 | \$ 137,453 | \$ 137,453 | \$ - | \$ 441,339 | 31.14% |
| 2019 | \$ 143,784 | \$ 143,784 | \$ - | \$ 444,868 | 32.32% |
| 2020 | \$ 150,624 | \$ 150,624 | \$ - | \$ 458,552 | 32.85% |

OTHER INFORMATION

TOWN OF VINTON, LA
Schedule of Compensation, Benefits and Other Payments
To Chief Executive Officer
Year Ended September 30, 2020

Chief Executive Officer: Kenneth Stinson, Mayor

| <u>Purpose</u> | <u>Amount</u> |
|--|----------------------|
| Salary | \$ 40,846 |
| Benefits-insurance | 9,365 |
| Benefits-retirement | 9,953 |
| Benefits-cell phone | - |
| Car allowance | - |
| Vehicle provided by government | - |
| Per diem | - |
| Reimbursements | - |
| Travel | - |
| Registration fees | 175 |
| Conference travel | - |
| Continuing professional education fees | - |
| Housing | - |
| Unvouchered expenses | - |
| Special meals | - |

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
LOUISIANA COMMUNITY DEVELOPMENT BLOCK GRANT

September 21, 2021

To the Honorable Marcus Renfrow, Mayor and the Town Council
Town of Vinton, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Town of Vinton, Louisiana, on the Schedule of Net Position and Schedule of Revenues, Expenses and Changes in Net Position for the 2018-2019 LCDBG Waterline Improvement Project as of and for the year ended September 30, 2020. The Town of Vinton, Louisiana is responsible for the presentation of the Schedule of Net Position and Schedule of Revenues, Expenses and Changes in Net Position for the 2018-2019 LCDBG Waterline Improvement Project as of and for the year ended September 30, 2020 in accordance with accounting standards generally accepted in the United States of America. The sufficiency of these procedures is solely the responsibility of the responsibility of the Town of Vinton, Louisiana. 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 Schedule of Revenues, Expenses and Changes in Net Position for the 2018-2019 LCDBG Waterline Improvement Project as of and for the year ended September 30, 2020 to the underlying records used in the audit of the financial statements of the Town of Vinton, Louisiana as of and for the year ended September 30, 2020.

No exceptions were noted.

2. Verify the mathematical accuracy of the Schedule of Net Position and Schedule of Revenues, Expenses and Changes in Net Position for the 2018-2019 LCDBG Waterline Improvement Project as of and for the year ended September 30, 2020.

No exceptions were noted.

Town of Vinton, Louisiana
September 21, 2021
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This agreed-upon procedures engagement was conducted in accordance with attestation standards contained in the *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, conduct an examination or review, the objective of which would be the expression of an opinion on the Schedule of Net Position and Schedule of Revenues, Expenses and Changes in Net Position for the 2018-2019 LCDBG Waterline Improvement Project as of and for the year ended September 30, 2020. 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 the Town of Vinton, Louisiana and is not intended to be and should not be used for any other purpose.

Dragon, Cassidy: Skillery

TOWN OF VINTON, LA.
 SCHEDULE OF NET POSITION
 2018-2019 LCDBG WATERLINE IMPROVEMENT PROJECT
 September 30, 2020
 (Unaudited)

| | |
|------------------------|------|
| ASSETS | |
| Cash | \$ - |
| Grant receivable-LCDBG | - |
| Due from other funds | - |
| Total Assets | - |
| | |
| LIABILITIES | |
| Accounts payable | - |
| Retainage payable | - |
| Total Liabilities | - |
| | |
| NET POSITION | \$ - |

TOWN OF VINTON, LA.
 SCHEDULE OF REVENUES, EXPENSES
 AND CHANGES IN NET POSITION
 2018-2019 LCDBG WATERLINE IMPROVEMENT PROJECT
 Year Ended September 30, 2020
 (Unaudited)

| | |
|---|------------|
| REVENUES | |
| LCDBG program revenues | \$ 551,358 |
| Intergovernmental revenues | - |
| Local revenue | - |
| LCDBG program income | - |
| Total Revenue | 551,358 |
| | |
| EXPENDITURES | |
| Administration | - |
| Acquisition | - |
| Engineering | - |
| Construction | 551,358 |
| For profit business assistance | - |
| Rehabilitation activities | - |
| Clearance/Demolition | - |
| Planning | - |
| Total Liabilities | 551,358 |
| | |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES | - |
| | |
| OTHER FINANCING SOURCES (USES) | |
| Operating transfers in | - |
| Operating transfers out | - |
| Total Other Financing Sources (Uses) | - |
| | |
| EXCESS REVENUES AND OTHER SOURCES OVER (UNDER) EXPENSES AND OTHER USES | - |
| | |
| NET POSITION | |
| BEGINNING OF THE YEAR | - |
| END OF THE YEAR | \$ - |

INDEPENDENT AUDITORS' 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

September 21, 2021

The Honorable Marcus Renfrow, Mayor
and the Town Council
Town of Vinton, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units and each major fund of the Town of Vinton, Louisiana, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Vinton, Louisiana's basic financial statements and have issued our report thereon dated September 21, 2021.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect 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 a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Vinton, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses.

The Town of Vinton's Responses to Findings

The Town of Vinton, LA's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town of Vinton, LA's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Dragan, Cassidy: Skillery

TOWN OF VINTON, LA.
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended September 30, 2020

I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified

Internal control over financial reporting:

- Material weaknesses(es) identified? yes no
- Control deficiency(s) identified that are
not considered to be material weakness(es)? yes none reported

Noncompliance material to financial
statements noted?

yes no

II - Findings Relating to the Financial Statements Which are Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards

Finding 2020-001: Budgetary Authority and Control

Condition: Inadequate budgeting procedures resulted in expenditures being over budget by 5% or more in the general fund.

Criteria: Inadequate budgeting procedures.

Effect: Violation of Louisiana Revised Statute 39:1310.

Cause: Administrative lack of oversight.

Recommendation: The Town should review actual revenues and expenditures on an interim basis and amend the budget if necessary.

Corrective Action Planned/Management Response: The Town agrees with the finding and will implement the recommendations.

Finding 2020-002: Failure to Pay Monthly Sales Taxes Timely

Condition: During the review of sales taxes paid by the Town for electricity services provided, it was noted that five months of sales taxes totaling \$10,670 due to Calcasieu Parish were not filed.

Criteria: Procedures should be in place to provide reasonable assurance that sales tax returns are filed and paid timely.

Cause: Administrative lack of oversight.

Continued

TOWN OF VINTON, LA.
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
Year Ended September 30, 2020

Effect: It is possible that the Town will incur penalties and interest as a result of the sales taxes not being filed timely.

Recommendation: The Town should implement procedures to ensure that sales taxes are filed and paid timely.

Management Response: The Town agrees with the finding and will implement the recommendations. The Town has subsequently paid the delinquent returns.

III - Federal Award Findings and Questioned Costs

None

IV - Prior Year Audit Findings

None