

Town of Litcher

2024 Financial Statements

TOWN OF LUTCHER
Lutcher, Louisiana

FINANCIAL STATEMENTS

APRIL 30, 2024

TABLE OF CONTENTS

	Page No.
<u>INDEPENDENT AUDITORS' REPORT</u>	
Independent Auditors' Report	1 - 3
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
Management's Discussion and Analysis	4 - 10
<u>BASIC FINANCIAL STATEMENTS</u>	
<u>Government-Wide Financial Statements (GWFS):</u>	
Statement of Net Position	11
Statement of Activities	12
<u>Fund Financial Statements (FFS):</u>	
<u>Governmental Funds:</u>	
Balance Sheet	13
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	14
Statement of Revenues, Expenditures, and Changes in Fund Balances	15
Reconciliation of the Governmental Funds - Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	16
<u>Proprietary Funds:</u>	
Statement of Net Position	17
Statement of Revenues, Expenses, and Changes in Net Position	18
Statement of Cash Flows	19 - 20
<u>Notes to Financial Statements</u>	21 - 48
<u>REQUIRED SUPPLEMENTARY INFORMATION – PART II</u>	
Schedule of the Town of Lutchter's Proportionate Share of the Net Pension Liability for the Retirement Systems	49
Schedule of Contributions to Each Retirement System (Defined Benefit Cost Sharing Plans Only)	50
Notes to Required Supplementary Information	51 - 52

TABLE OF CONTENTS

Budgetary Comparison Schedule:

General Fund	53 - 55
--------------	---------

OTHER REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS

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 <i>Government Auditing Standards</i>	56 - 57
---	---------

Schedule of Findings and Responses	58 - 59
------------------------------------	---------

Summary Schedule of Prior Audit Findings	60
--	----

SUPPLEMENTARY INFORMATION

Schedule of Principal Officials and Salaries	61
--	----

Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer	62
---	----

Justice System Funding Schedule – Collecting/Disbursing Entity as Required by Act 87 of 2020 Regular Session – Cash Basis Presentation	63
--	----

OTHER INFORMATION

Insurance-in-Force (without audit)	64
------------------------------------	----

Public Utility System Operations (without audit)	65 - 66
--	---------

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members
Of the Board of Aldermen
Town of Lutcher, Louisiana

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Lutcher, Louisiana, (the Town) as of and for the year ended April 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town, as of April 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10, the schedule of the Town of Lutchter's proportionate share of the net pension liability for the retirement systems on page 49, the schedule of contributions to each retirement system (defined benefit cost sharing plans only) on page 50, the notes to required supplementary information on pages 51 through 52, and the budgetary comparison schedule on pages 53 through 55 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying schedule of principal officials and salaries, the schedule of compensation, benefits and other payments to agency head or chief executive officer, and the justice system funding schedule – collecting/disbursing entity as required by Act 87 of 2020 Regular Legislative Session – cash basis presentation are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 basic the 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 principal officials and salaries, the schedule of compensation, benefits and other payments to agency head or chief executive officer, and the justice system funding schedule – collecting/disbursing entity as required by Act 87 of 2020 Regular Legislative Session – cash basis presentation are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the insurance-in-force (without audit) and the public utility system operations (without audit) but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2024, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



EISNERAMPER LLP
Baton Rouge, Louisiana
October 25, 2024



TOWN OF LUTCHER
Lutcher, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2024

This section of the annual financial report of the Town of Lutcher, Louisiana (the Town) presents our discussion and analysis of the Town's financial performance during the fiscal year that ended on April 30, 2024. Please read it in conjunction with the Town's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$8,664,738 (net position). Of this amount, \$2,069,651 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.
- During the year, the Town's governmental activities revenues generated from charges for services, taxes, grants, and transfers were \$1,402,417 more than the \$2,258,950 in expenses. In the Town's business-type activities, expenses and transfers were \$1,374,682 less than the \$4,771,032 generated in revenues.
- The general fund reported a \$693,435 fund balance for the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts - management's discussion and analysis (this section), the basic financial statements, required supplementary information, and an optional section that presents supplemental statements and schedules. The basic financial statements include two kinds of statements that present different views of the Town:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Town's overall financial status and economic condition.
- The remaining statements are fund financial statements that focus on individual parts of the Town's government, reporting the Town's operations in more detail than the government-wide statements.
 - The governmental fund statements tell how general government services, like public safety, were financed in the short term as well as what remains for future spending.
 - Proprietary fund statements offer *short* and *long-term* financial information about the activities the government operates *like businesses*, such as the water and sewer system.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

TOWN OF LUTCHER
Lutcher, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2024

Figure A-1
Major Features of the Town's Government and Fund Financial Statements

	Fund Statements		
	Government-wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire Town government	The activities of the Town that are not proprietary, such as police, drainage, and streets	Activities the Town operates similar to private businesses: the water and sewer system
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Revenues, Expenses, and Changes in Net Position • Statement of Cash Flows
Accounting basis and measurements focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

TOWN OF LUTCHER
Lutcher, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2024

Government-wide Statements

The government-wide statements report information about the Town as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide statements report the Town's net position and how they have changed. Net position - the difference between the Town's assets and deferred outflows of resources and liabilities and deferred inflows of resources - is one way to measure the Town's financial health, or position.

- Over time, increases or decreases in the Town's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Town you need to consider additional non-financial factors such as changes in the Town's property tax base and the condition of the Town's roads.

The government-wide financial statements of the Town are divided into two categories:

- Governmental activities - Most of the Town's basic services are included here, such as the police, streets and drainage, sanitation, and general administration. Property taxes, sales taxes, and franchise fees finance most of these activities.
- Business-type activities - The Town charges fees to customers to help it cover the costs of certain services it provides. The Town's water and sewer system are included here.

Fund Financial Statements

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

- Some funds are required by State law and by bond covenants.

The Town has two kinds of funds:

- Governmental funds - Most of the Town's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental fund statements, or on the subsequent page, that explains the relationship (or differences) between them. The Town's major governmental funds are the General Fund and Debt Service Fund.
- Proprietary funds - Services for which the Town charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information. In fact, the Town's enterprise funds (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows. The Town has two major proprietary funds which are the Sewer Fund and the Water Fund.

TOWN OF LUTCHER
Lutcher, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2024

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

Net position. The Town's combined net position increased between fiscal years ended April 30, 2023 and April 30, 2024 to \$8,664,738. (See Table A-1.)

Table A-1
Town's Net Position

	Governmental Activities		Business-Type Activities	
	2024	2023	2024	2023
Current and other assets	\$ 915,178	\$ 1,044,999	\$ 3,811,194	\$ 3,012,080
Capital assets	3,568,253	2,571,849	3,363,996	3,053,099
Restricted assets	14,442	63,829	383,720	374,662
Total assets	4,497,873	3,680,677	7,558,910	6,439,841
Deferred outflows of resources	351,719	293,710	121,606	154,105
Total assets and deferred outflows of resources	4,849,592	3,974,387	7,680,516	6,593,946
Current liabilities	227,214	436,280	965,277	1,225,033
Long term liabilities	398,441	813,492	1,132,219	1,123,404
Net pension liability	699,745	597,396	416,363	454,070
Total liabilities	1,325,400	1,847,168	2,513,859	2,802,507
Deferred inflows of resources	9,455	14,899	16,656	16,120
Total liabilities and deferred inflows of resources	1,334,855	1,862,067	2,530,515	2,818,627
Net position				
Invested in capital assets, net of related debt	3,506,263	2,488,090	2,376,162	2,069,235
Restricted	474,442	533,829	238,220	243,312
Unrestricted	(465,968)	(909,599)	2,535,619	1,462,772
Total net position	\$ 3,514,737	\$ 2,112,320	\$ 5,150,001	\$ 3,775,319

Net position of the Town's governmental activities increased 66.4 percent to \$3,514,737. Net position of the Town's business-type activities increased 36.4 percent to \$5,150,001.

Changes in net position. The Town's total revenues for the year ended April 30, 2024 increased by \$1,676,009 to \$7,541,729. Approximately 58.4 percent of the Town's revenue is derived from charges for services, approximately 22.3 percent is derived from grants and contributions, and approximately 15.6 percent is derived from tax collections.

The Town's total expenses for the year ended April 30, 2024 decreased by \$317,657 to \$4,764,630. Approximately 52.6 percent of the Town's expenses are the result of its business-type activities and 47.4 percent are the result of its governmental activities. (See Table A-2)

TOWN OF LUTCHER
Lutcher, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2024

Table A-2
Changes in the Town's Net Position

	Governmental Activities		Business-Type Activities	
	2024	2023	2024	2023
Revenues				
Program revenues				
Charges for services	\$ 241,645	\$ 245,339	\$ 4,166,099	\$ 3,459,059
Operating grants and contributions	365,799	333,331	198,664	143,807
Capital grants and contributions	861,970	-	253,533	329,700
General revenues				
Taxes	986,399	908,913	83,086	82,338
Franchise taxes	110,040	121,112	-	-
Licenses and permits	151,965	158,413	-	-
Fines and forfeitures	4,465	4,626	-	-
Other revenues	48,414	31,085	69,650	47,997
Total revenues	2,770,697	1,802,819	4,771,032	4,062,901
Expenses				
General government	689,222	867,721	-	-
Streets and drainage	761,330	756,574	-	-
Public safety	471,691	438,039	-	-
Sanitation	315,136	269,296	-	-
Interest	21,571	35,320	-	-
Debt issuance	-	45,200	-	-
Water	-	-	1,177,761	1,067,790
Sewer	-	-	1,327,919	1,602,347
Total expenses	2,258,950	2,412,150	2,505,680	2,670,137
Other financing resources (uses)				
Transfers in	890,670	1,075,939	333,400	-
Transfers out	-	(575,939)	(1,224,070)	(500,000)
Total other financing resources (uses)	890,670	500,000	(890,670)	(500,000)
Increase (decrease) in net position	1,402,417	(109,331)	1,374,682	892,764
Beginning net position	2,112,320	2,221,651	3,775,319	2,882,555
Ending net position	\$ 3,514,737	\$ 2,112,320	\$ 5,150,001	\$ 3,775,319

Governmental Activities

Revenues for the Town's governmental activities increased by \$967,878, or 53.7 percent. Approximately 39.6 percent of these revenues are derived from ad valorem, sales, and franchise taxes while nearly 44.3 percent is from capital and operating grants and contributions. An additional 8.7 percent is derived from charges for services. An increase in grants and contributions contributed to an overall increase in revenues. The increase in contributions is a result of the St. James Parish Government assisting with the Buddy Whitney Drainage upgrade.

TOWN OF LUTCHER
Lutcher, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2024

Expenses for the Town's governmental activities decreased by \$153,200, or 6.4 percent. Majority of this decrease in governmental activities is the result of debris cleanup and monitoring costs incurred in fiscal year 2023 that were the result of Hurricane Ida response from August 2021.

Business-type Activities

Revenues for the Town's business-type activities increased by \$708,131 or approximately 17.4 percent. Charges for services provide for approximately 87.3 percent of business-type revenues.

Expenses for the Town's business-type activities decreased by \$164,457 or 6.2 percent. Approximately 47 percent of these expenses result from water activities and approximately 53 percent are the result of sewer activities.

FINANCIAL ANALYSIS OF THE TOWN'S GOVERNMENTAL FUNDS

As the Town completed the year, its governmental funds reported a combined fund balance of \$707,877, an increase of \$25,821, or 3.8 percent, from last year.

General Fund Budgetary Highlights

The Town amended its original budget for the fiscal year. The amendments to the original budget were directly related to a reduction in the anticipated drainage and streets projects within the Town. This contributed to an over \$250,000 decrease in anticipated expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At the end of April 30, 2024, the Town had invested \$6,932,249 in a broad range of capital assets, including police equipment, buildings, vehicles, and water and sewer systems. (See Table A-3) This amount represents a net increase (including additions and deductions) of \$1,307,301, or 23.3 percent, compared to last year.

More information about the Town's capital assets is presented in Note 7 to the financial statements.

Table A-3
Town's Capital Assets

	Governmental Activities		Business-Type Activities	
	2024	2023	2024	2023
Land and Improvements	\$ 49,005	\$ 49,005	\$ 114,855	\$ 114,855
Buildings and Improvements	375,654	296,936	-	-
Lutcher Park	345,635	345,635	-	-
Streets	2,286,212	2,296,051	-	-
Drainage	1,997,363	1,202,911	-	-
Equipment	422,625	416,841	794,167	593,788
Construction in Progress	351,502	30,576	-	139,862
Water and Sewer Facility and System	-	-	10,671,542	10,179,119
Less: Accumulated Depreciation	(2,259,743)	(2,066,106)	(8,216,568)	(7,974,525)
Total	\$ 3,568,253	\$ 2,571,849	\$ 3,363,996	\$ 3,053,099

Current year depreciation expense was approximately \$492,000.

This year's major capital asset additions included:

- Buddy Whitney Drainage improvements \$736,000
- Acadia Lift Station improvements \$220,000
- Water Plant Weir Replacement \$170,000

TOWN OF LUTCHER
Lutcher, Louisiana

MANAGEMENT’S DISCUSSION AND ANALYSIS
APRIL 30, 2024

Construction in progress consists of engineering and project costs relating to the 2nd and 3rd Street Canal Drainage work. This project is anticipated to be completed in fiscal year 2025.

Long-term debt. At the end of the current fiscal year, the Town had bonded debt outstanding of \$1,392,283 as compared to \$1,807,313 in the prior year, a decrease of \$415,030 or 23.0 percent. (See Table A-4) More information about the Town’s long-term liabilities is presented in Note 9 to the financial statements.

Table A-4
Town’s Outstanding Debt

	Governmental Activities		Business Activities	
	2024	2023	2024	2023
General Obligation Bonds, Series 2012A	\$ 59,000	\$ 78,000	\$ -	\$ -
Hurricane Recovery Bonds, Series 2022	350,000	750,000	-	-
General Obligation Bonds, Series 2012	-	-	578,000	640,000
Taxable Limited Bond, Series 2016	-	-	281,000	299,000
Utilities Revenue Bonds, Series 2022	-	-	38,413	40,313
Utilities Revenue Bonds, Series 2023	-	-	85,870	-
Total	\$ 409,000	\$ 828,000	\$ 983,283	\$ 979,313

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Town’s major sources of revenue for the general fund are comprised from taxes (sales, franchise & property) and garbage fees at 68.4 percent and 16.4 percent of total revenues, respectively. The economy is not expected to generate any significant growth. Expenditures are expected to increase due to additional drainage and street projects.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town’s finances and to demonstrate the Town’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Kevin Criddle, Town Clerk, PO Box 456, Lutcher, LA 70071.

TOWN OF LUTCHER

Lutcher, Louisiana

STATEMENT OF NET POSITION**APRIL 30, 2024**

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Cash	\$ 702,480	\$ 3,138,067	\$ 3,840,547
Receivables:			
Taxes	18,520	11,879	30,399
Interest	67	-	67
Other	1,892	-	1,892
Accounts, net	47,772	639,878	687,650
Internal balances	341	(341)	-
Due from other governmental units	140,199	-	140,199
Other current assets	3,907	21,711	25,618
Restricted assets:			
Cash	14,442	383,720	398,162
Capital assets (net)	3,568,253	3,363,996	6,932,249
Total assets	4,497,873	7,558,910	12,056,783
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	351,719	121,606	473,325
Total deferred outflows of resources	351,719	121,606	473,325
LIABILITIES			
Accounts payable	103,940	89,971	193,911
Accrued payables	14,409	18,931	33,340
Bonds due within one year	19,000	88,206	107,206
Accumulated leave due within one year	10,081	20,701	30,782
Unearned revenues	79,784	747,468	827,252
Long-term liabilities:			
Accumulated leave	8,441	114,132	122,573
Customer service meter deposits	-	123,010	123,010
Bonds payable	390,000	895,077	1,285,077
Net pension liability	699,745	416,363	1,116,108
Total liabilities	1,325,400	2,513,859	3,839,259
DEFERRED INFLOWS OF RESOURCES			
Pension related	9,455	16,656	26,111
Total deferred inflows of resources	9,455	16,656	26,111
NET POSITION			
Net investment in capital assets	3,506,263	2,376,162	5,882,425
Restricted for:			
Debt retirement	14,442	238,220	252,662
Road maintenance	460,000	-	460,000
Unrestricted	(465,968)	2,535,619	2,069,651
Total net position	\$ 3,514,737	\$ 5,150,001	\$ 8,664,738

The accompanying notes are an integral part of this statement.

TOWN OF LUTCHER

Lutcher, Louisiana

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED APRIL 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions:							
Governmental activities:							
General government	\$ 689,222	\$ -	\$ 365,799	\$ 35,000	\$ (288,423)	\$ -	\$ (288,423)
Streets and drainage	761,330	-	-	826,970	65,640	-	65,640
Public safety	471,691	-	-	-	(471,691)	-	(471,691)
Sanitation	315,136	241,645	-	-	(73,491)	-	(73,491)
Interest	21,571	-	-	-	(21,571)	-	(21,571)
Total governmental activities	<u>2,258,950</u>	<u>241,645</u>	<u>365,799</u>	<u>861,970</u>	<u>(789,536)</u>	<u>-</u>	<u>(789,536)</u>
Business-type activities:							
Sewer	1,327,919	3,529,671	110,952	171,031	-	2,483,735	2,483,735
Water	1,177,761	636,428	87,712	82,502	-	(371,119)	(371,119)
Total business-type activities	<u>2,505,680</u>	<u>4,166,099</u>	<u>198,664</u>	<u>253,533</u>	<u>-</u>	<u>2,112,616</u>	<u>2,112,616</u>
Total primary government	<u>\$ 4,764,630</u>	<u>\$ 4,407,744</u>	<u>\$ 564,463</u>	<u>\$ 1,115,503</u>	<u>(789,536)</u>	<u>2,112,616</u>	<u>1,323,080</u>
General revenues							
Taxes:							
Ad valorem					142,051	83,086	225,137
Sales taxes					844,348	-	844,348
Franchise taxes					110,040	-	110,040
Licenses and permits					151,965	-	151,965
Fines and forfeitures					4,465	-	4,465
Transfers (to)/from other funds					890,670	(890,670)	-
Other revenue					48,414	69,650	118,064
Total general revenues and transfers					<u>2,191,953</u>	<u>(737,934)</u>	<u>1,454,019</u>
Change in net position					1,402,417	1,374,682	2,777,099
Net position, April 30, 2023					2,112,320	3,775,319	5,887,639
Net position, April 30, 2024					<u>\$ 3,514,737</u>	<u>\$ 5,150,001</u>	<u>\$ 8,664,738</u>

The accompanying notes are an integral part of this statement.

TOWN OF LUTCHER
Lutcher, Louisiana
GOVERNMENTAL FUNDS
BALANCE SHEET
APRIL 30, 2024

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
Cash	\$ 702,480	\$ -	\$ 702,480
Receivables:			
Taxes	18,520	-	18,520
Interest	67	-	67
Other	1,892	-	1,892
Due from other funds	341	-	341
Accounts, net	47,772	-	47,772
Due from other governmental units	140,199	-	140,199
Prepaid insurance	3,907	-	3,907
Restricted assets:			
Cash	-	14,442	14,442
Total assets	<u>\$ 915,178</u>	<u>\$ 14,442</u>	<u>\$ 929,620</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 103,940	\$ -	\$ 103,940
Accrued payables	21,500	-	21,500
Unearned revenues	79,784	-	79,784
Total liabilities	<u>205,224</u>	<u>-</u>	<u>205,224</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenue - ad valorem taxes	16,519	-	16,519
Total deferred inflows of resources	<u>16,519</u>	<u>-</u>	<u>16,519</u>
<u>FUND BALANCES</u>			
Nonspendable	3,907	-	3,907
Restricted for debt retirement	-	14,442	14,442
Restricted for road maintenance	460,000	-	460,000
Unassigned	229,528	-	229,528
Total fund balance	<u>693,435</u>	<u>14,442</u>	<u>707,877</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 915,178</u>	<u>\$ 14,442</u>	<u>\$ 929,620</u>

The accompanying notes are an integral part of this statement.

TOWN OF LUTCHER

Lutcher, Louisiana

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION**

APRIL 30, 2024

Total fund balances - governmental funds		\$	707,877
Cost of capital assets at April 30, 2024	5,827,996		
Less: accumulated depreciation as of April 30, 2024	<u>(2,259,743)</u>		3,568,253
Deferred outflows of resources at April 30, 2024			
Deferred outflows - pension related			351,719
Ad valorem tax revenues that were collected more than sixty days after year-end and, therefore, are not available soon enough to pay current period expenditures			16,519
Long-term liabilities and deferred inflows of resources at April 30, 2024			
Bonds payable	(409,000)		
Accrued interest payable	(2,990)		
Accrued sick leave payable	(7,350)		
Accrued compensatory time payable	(1,091)		
Net pension liability	(699,745)		
Deferred inflows - pension related	<u>(9,455)</u>		<u>(1,129,631)</u>
Total net position at April 30, 2024 - governmental activities		\$	<u>3,514,737</u>

The accompanying notes are an integral part of this statement.

TOWN OF LUTCHER

Lutcher, Louisiana

GOVERNMENTAL FUNDS**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES****YEAR ENDED APRIL 30, 2024**

	General	Debt Service	Total Governmental Funds
REVENUES			
Ad valorem taxes	\$ 140,783	\$ -	\$ 140,783
Sales taxes	844,348	-	844,348
Franchise taxes	110,040	-	110,040
Garbage fees	241,645	-	241,645
Licenses and permits	151,965	-	151,965
Intergovernmental revenue:			
Beer	1,082	-	1,082
Grants	522,863	-	522,863
Fines and forfeitures	4,465	-	4,465
Other revenue	27,953	-	27,953
Total revenues	<u>2,045,144</u>	<u>-</u>	<u>2,045,144</u>
EXPENDITURES			
Current:			
General government	681,073	-	681,073
Streets and drainage	577,287	-	577,287
Public safety	398,183	-	398,183
Sanitation	315,136	-	315,136
Capital outlay	494,974	-	494,974
Debt service:			
Principal retirement	-	419,000	419,000
Interest	-	24,340	24,340
Total expenditures	<u>2,466,653</u>	<u>443,340</u>	<u>2,909,993</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(421,509)	(443,340)	(864,849)
OTHER FINANCING SOURCES			
Transfers in	496,717	393,953	890,670
Total other financing sources	<u>496,717</u>	<u>393,953</u>	<u>890,670</u>
NET CHANGE IN FUND BALANCE	75,208	(49,387)	25,821
FUND BALANCE			
Beginning of year	618,227	63,829	682,056
End of year	<u>\$ 693,435</u>	<u>\$ 14,442</u>	<u>\$ 707,877</u>

The accompanying notes are an integral part of this statement.

TOWN OF LUTCHER

Lutcher, Louisiana

RECONCILIATION OF THE GOVERNMENTAL FUNDS - STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED APRIL 30, 2024

Total net changes in fund balance - governmental funds		\$	25,821
Capital assets:			
Capital outlay capitalized	494,974		
Contributed capital	704,906		
Depreciation expense for the year ended April 30, 2024	<u>(203,476)</u>		996,404
Change in ad valorem taxes collected after 60 days			1,268
Long-term debt:			
Principal portion of debt service payments	419,000		
Change in accrued sick leave	(4,035)		
Change in accrued compensatory time	86		
Excess of interest accrued over interest paid	2,769		
Net change in pension liability and deferred inflows/outflows of resou	<u>(38,896)</u>		<u>378,924</u>
Change in net position - governmental activities		\$	<u>1,402,417</u>

The accompanying notes are an integral part of this statement.

TOWN OF LUTCHER

Lutcher, Louisiana

PROPRIETARY FUNDS**STATEMENT OF NET POSITION****APRIL 30, 2024**

	Sewer Fund	Water Fund	Total
ASSETS			
CURRENT ASSETS			
Cash	\$ 2,982,885	\$ 155,182	\$ 3,138,067
Taxes receivable	-	11,879	11,879
Accounts receivable (net of allowance for uncollectibles)	554,471	85,407	639,878
Due from other funds	-	1,276	1,276
Other current assets	6,240	15,471	21,711
Total current assets	<u>3,543,596</u>	<u>269,215</u>	<u>3,812,811</u>
NONCURRENT ASSETS			
Restricted assets:			
Cash	52,009	331,711	383,720
Total restricted assets	52,009	331,711	383,720
Capital assets, net	1,326,704	2,037,292	3,363,996
Total noncurrent assets	<u>1,378,713</u>	<u>2,369,003</u>	<u>3,747,716</u>
Total assets	<u>4,922,309</u>	<u>2,638,218</u>	<u>7,560,527</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	65,292	56,314	121,606
Total deferred outflows of resources	<u>65,292</u>	<u>56,314</u>	<u>121,606</u>
LIABILITIES			
CURRENT LIABILITIES			
Payable from current assets:			
Accounts payable	35,380	54,591	89,971
Accrued payables	6,382	12,549	18,931
Due to other funds	1,276	341	1,617
Unearned revenue	747,468	-	747,468
Payable from restricted assets:			
Bonds payable due within one year	1,843	86,363	88,206
Total current liabilities	<u>792,349</u>	<u>153,844</u>	<u>946,193</u>
NONCURRENT LIABILITIES			
Accumulated leave	111,590	23,243	134,833
Customer meter deposits	-	123,010	123,010
Bonds payable	36,570	858,507	895,077
Net pension liability	223,550	192,813	416,363
Total noncurrent liabilities	<u>371,710</u>	<u>1,197,573</u>	<u>1,569,283</u>
Total liabilities	<u>1,164,059</u>	<u>1,351,417</u>	<u>2,515,476</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related	8,943	7,713	16,656
Total deferred inflows of resources	<u>8,943</u>	<u>7,713</u>	<u>16,656</u>
NET POSITION			
Net investment in capital assets	1,288,208	1,087,954	2,376,162
Restricted for debt retirement	33,809	204,411	238,220
Unrestricted	2,492,582	43,037	2,535,619
TOTAL NET POSITION	<u>\$ 3,814,599</u>	<u>\$ 1,335,402</u>	<u>\$ 5,150,001</u>

The accompanying notes are an integral part of this statement.

TOWN OF LUTCHER**Lutcher, Louisiana****PROPRIETARY FUNDS****STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION****YEAR ENDED APRIL 30, 2024**

	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
<u>OPERATING REVENUES</u>			
Charges for service			
Utility fees	\$ 340,656	\$ 621,945	\$ 962,601
User fees - oxidation pond	3,182,108	-	3,182,108
Delinquent charges	6,907	14,483	21,390
Total operating revenues	<u>3,529,671</u>	<u>636,428</u>	<u>4,166,099</u>
<u>OPERATING EXPENSES</u>			
Professional services	35,495	68,859	104,354
Payroll taxes	27,998	21,625	49,623
Retirement	49,642	30,113	79,755
Insurance	92,852	149,815	242,667
Office supplies and postage	62,699	54,447	117,146
Miscellaneous	34,769	101,407	136,176
Salaries	385,370	292,424	677,794
Oxidation pond/water plant analysis and treatment	52,429	50,129	102,558
Electricity	128,134	25,507	153,641
Materials, supplies, and repairs	316,535	190,360	506,895
Depreciation	141,613	146,837	288,450
Total operating expenses	<u>1,327,536</u>	<u>1,131,523</u>	<u>2,459,059</u>
<u>OPERATING INCOME (LOSS)</u>	<u>2,202,135</u>	<u>(495,095)</u>	<u>1,707,040</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>			
Ad valorem taxes	-	83,086	83,086
Capital grants	171,031	82,502	253,533
Operating grants	110,952	87,712	198,664
Miscellaneous revenues	26,037	43,613	69,650
Bond issuance costs	-	(16,450)	(16,450)
Interest expense	(383)	(29,788)	(30,171)
Total nonoperating revenues	<u>307,637</u>	<u>250,675</u>	<u>558,312</u>
<u>Income (loss) before transfers</u>	<u>2,509,772</u>	<u>(244,420)</u>	<u>2,265,352</u>
Transfers in	-	333,400	333,400
Transfers out	(1,224,070)	-	(1,224,070)
Total transfers	<u>(1,224,070)</u>	<u>333,400</u>	<u>(890,670)</u>
<u>CHANGE IN NET POSITION</u>	<u>1,285,702</u>	<u>88,980</u>	<u>1,374,682</u>
Net position, April 30, 2023	<u>2,528,897</u>	<u>1,246,422</u>	<u>3,775,319</u>
Net position, April 30, 2024	<u>\$ 3,814,599</u>	<u>\$ 1,335,402</u>	<u>\$ 5,150,001</u>

The accompanying notes are an integral part of this statement.

Town of Lutcher
Lutcher, Louisiana
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED APRIL 30, 2024

	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Cash received from customers	\$ 3,499,184	\$ 647,484	\$ 4,146,668
Cash paid to employees and suppliers	<u>(1,306,617)</u>	<u>(1,011,150)</u>	<u>(2,317,767)</u>
Net cash provided by (used in) operating activities	<u>2,192,567</u>	<u>(363,666)</u>	<u>1,828,901</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING</u>			
<u>ACTIVITIES:</u>			
Transfers from other funds	-	333,400	333,400
Transfers to other funds	<u>(1,224,070)</u>	-	<u>(1,224,070)</u>
Operating grant	<u>136,443</u>	<u>61,325</u>	<u>197,768</u>
Net cash provided by (used in) noncapital financing activities	<u>(1,087,627)</u>	<u>394,725</u>	<u>(692,902)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>			
Acquisition of capital assets	(402,157)	(199,734)	(601,891)
Capital grant received	-	70,000	70,000
Ad valorem tax	-	83,086	83,086
Bond proceeds received	-	168,372	168,372
Principal payments on long-term debt	(1,900)	(80,000)	(81,900)
Bond issue costs paid on long-term debt	-	(16,450)	(16,450)
Interest paid on long-term debt	<u>(383)</u>	<u>(29,788)</u>	<u>(30,171)</u>
Net cash used in capital and related financing activities	<u>(404,440)</u>	<u>(4,514)</u>	<u>(408,954)</u>
Net increase in cash and cash equivalents	700,500	26,545	727,045
Cash and cash equivalents - beginning of year	<u>2,334,394</u>	<u>460,348</u>	<u>2,794,742</u>
Cash and cash equivalents - end of year	<u>\$ 3,034,894</u>	<u>\$ 486,893</u>	<u>\$ 3,521,787</u>
Cash and cash equivalents - end of year			
Cash - current	\$ 2,982,885	\$ 155,182	\$ 3,138,067
Cash - restricted	<u>52,009</u>	<u>331,711</u>	<u>383,720</u>
	<u>\$ 3,034,894</u>	<u>\$ 486,893</u>	<u>\$ 3,521,787</u>

(continued)

Town of Lutcher
Lutcher, Louisiana
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED APRIL 30, 2024

	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET			
<u>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</u>			
Operating income (loss)	\$ 2,202,135	\$ (495,095)	\$ 1,707,040
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities -			
Depreciation	141,613	146,837	288,450
Bad debt expense	(733)	(1,219)	(1,952)
Loss on disposition of assets	2,551	539	3,090
Net changes in assets and liabilities -			
Accounts receivable	(54,270)	11,056	(43,214)
Prepaid expenses and other assets	18,496	(10,993)	7,503
Deferred outflows of resources	14,122	18,377	32,499
Accounts payable and other liabilities	(121,538)	(5,806)	(127,344)
Net pension liability	(10,445)	(27,262)	(37,707)
Deferred inflows of resources	636	(100)	536
Net cash provided by (used in) operating activities	<u>\$ 2,192,567</u>	<u>\$ (363,666)</u>	<u>\$ 1,828,901</u>

(concluded)

The accompanying notes are an integral part of this statement.

TOWN OF LUTCHER
Lutcher, Louisiana

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

1. Summary of Significant Accounting Policies

The Town of Lutcher, Louisiana (the Town) was incorporated on March 13, 1912, and operates under a Mayor - Board of Aldermen form of government. As authorized by its charter, the Town is responsible for public safety, highways and streets, sanitation, public improvements, and general administrative services.

The Town's basic financial statements consist of the government-wide statements and the fund financial statements. The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units and promulgated by the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*. Such accounting and reporting procedures conform to the requirements of Louisiana Revised Statute 24:514, to the guidance set forth in the *Louisiana Governmental Accounting Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units* published by the American Institute of Certified Public Accountants.

Financial Reporting Entity

GASB Codification, Section 2100, *Defining the Financial Reporting Entity*, establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Since the Town is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments, it is considered a primary government under the provisions of this Statement. As used in GASB Codification, Section 2100, fiscally independent means that the Town may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. Additionally, the Town does not have any component units, which are defined by GASB Codification, Section 2100 as other legally separate organizations for which the elected officials are financially accountable. There are no other primary governments with which the Town has a significant relationship.

The following is a summary of certain significant accounting policies and practices:

Basis of Presentation, Basis of Accounting

Government-wide Statements: The statement of net position and the statement of activities display information about the Town of Lutcher. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between *the governmental and business-type activities* of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

TOWN OF LUTCHER
Lutcher, Louisiana

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

1. **Summary of Significant Accounting Policies** (continued)

Basis of Presentation, Basis of Accounting (continued)

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

Fund Financial Statements: The fund financial statements provide information about the Town's funds. Separate statements for each fund category - *governmental and proprietary* - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The Town reports the following major governmental funds:

- a. General Fund - This is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- b. Debt Service Fund – This fund is used to account for the accumulation of resources for the payment of principal and interest on long-term obligation debt of governmental funds.

The Town reports the following major enterprise funds:

- a. Water Fund - This 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 the goods or services to the general public on a continuing basis be financed or recovered 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.

TOWN OF LUTCHER
Lutcher, Louisiana

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

1. **Summary of Significant Accounting Policies** (continued)

Basis of Presentation, Basis of Accounting (continued)

- b. Sewer Fund - This 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 the goods or services to the general public on a continuing basis be financed or recovered 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.

Measurement Focus, Basis of Accounting

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary funds financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Town considers property tax revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted fund balances available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

TOWN OF LUTCHER
Lutcher, Louisiana

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

1. **Summary of Significant Accounting Policies** (continued)

Budgets and Budgetary Accounting

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

1. A proposed budget is prepared and submitted to the Mayor and Board of Aldermen prior to the beginning of each fiscal year.
2. The proposed budget is published in the official journal and made available for public inspection. A public hearing is held to obtain taxpayer comments.
3. The budget is adopted through the passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
4. Budgetary amendments involving the transfer of funds from one department, program, or function to another or involving increases in expenditures resulting from revenues exceeding amounts originally estimated require the approval of the Board of Aldermen.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. Budgets for the general and proprietary funds are adopted on bases consistent with accounting principles generally accepted in the United States of America (GAAP).
7. Louisiana R.S. 39:1310 requires budgets to be amended when revenue collections plus projected revenue collections for the remainder of a year, within a fund, are failing to meet estimated annual budgeted revenues by five percent or more or expenditures plus projected expenditures for the remainder of the year, within a fund, are exceeding estimated budgeted expenditures by five percent or more.

The level of budgetary control is total appropriations. Budgeted amounts included in the financial statements include the original adopted budget, and the final amended budget.

Cash and Cash Equivalents

Cash and cash equivalents, which include demand deposit accounts and interest-bearing demand deposit accounts are stated at market value. Under Louisiana Revised Statute 33:2955, the Town may deposit funds in obligations of the U.S. Treasury and U.S. agencies, demand deposit accounts, interest-bearing demand deposit accounts, money market accounts, and time certificates of deposit with state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Under state law, the Town may invest in United States bonds, treasury notes, or certificates of deposit. These are classified as cash equivalents if the original maturities are 90 days or less; however, if their original maturity exceeds 90 days, these are classified as investments. Investments are stated at cost and approximate fair value.

TOWN OF LUTCHER
Lutcher, Louisiana

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

1. **Summary of Significant Accounting Policies** (continued)

Cash and Cash Equivalents (continued)

For purposes of the statements of cash flows, the Town considers all highly liquid investments (including restricted assets) with original maturities of three months or less to be cash equivalents.

Restricted Assets

Certain customer meter deposits, debt service sinking funds, and ad valorem tax collections are legally restricted as to purpose. These assets have been classified as restricted assets on the Statement of Net Position since the use of these funds is limited by applicable deposit agreements, bond covenants, and tax millages.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Purchased or constructed capital assets with a cost of \$5,000 or more are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The Town has elected not to report major general infrastructure assets retroactively. The Town began reporting infrastructure assets beginning May 1, 2005.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings and improvements	7-40 years
Land improvements	20 years
Lutcher park	20-40 years
Streets	20 years
Drainage	20-25 years
Equipment	5-20 years

The proprietary fund type operations are accounted for on a cost of services or "capital maintenance" measurement focus, and all assets and liabilities (whether current or non-current) associated with their activity are included on the balance sheets.

Depreciation of all exhaustible fixed assets used by the proprietary funds is charged as an expense against their operations. Depreciation has been provided over the assets' estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Sewerage system	40 years
Waterworks system	40 years
Equipment	3-10 years

TOWN OF LUTCHER
Lutcher, Louisiana

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

1. **Summary of Significant Accounting Policies** (continued)

Accounts Receivable

Uncollectible amounts due from customers for utility services are recognized as bad debts through the establishment of an allowance for uncollectible accounts at the time information becomes available which indicates the uncollectibility of the particular receivable.

Accumulated Leave

Employees earn vacation and sick leave at various rates depending upon the length of their employment. Amounts of vested or accumulated vacation are expected to be liquidated with expendable available financial resources of the general fund and are reported as an expenditure and liability of the fund as the benefits accrue to employees. Vested or accumulated vacation and sick leave of business-type funds is recorded as an expense and liability of those funds as the benefits accrue to employees. Additionally, salaried employees can accumulate an unlimited amount of compensatory time as approved by the Mayor. Any accrued compensatory time balances are to be paid at convertible hourly rates at the request of the employee and approval of the Mayor.

Long Term Debt

In the government-wide Statement of Net Position and in the proprietary fund types' financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond issuance costs, excluding any prepaid bond insurance, are reported as expense in the year of debt issuance. Bonded debt premiums, discounts, and gains (losses) on refundings are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable is reported net of the applicable bond premium or discount. Gains (losses) on refundings are reported as deferred outflows/inflows of resources.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and bond issuance costs during the current financial reporting period. The face amount of the debt issue is reported as "other financing sources." Premiums received on debt issuances are reported as "other financing sources" and discounts on debt are reported as "other financing uses."

Excess revenue contracts, loans, and notes are obligations of the general government and payment of these debts are normally provided by transfers from the General Fund to a debt service fund. However, if a debt is intended to be repaid by an enterprise fund it is recorded as a proprietary long-term debt.

Ad valorem tax revenue bonds are secured by ad valorem tax revenues. For those issues not associated with enterprise fund operations, payment of the debt is provided by ad valorem tax revenue recognized in the appropriate debt service fund. Ad valorem tax revenue bond issues associated with enterprise funds are accounted for in the relevant enterprise fund.

TOWN OF LUTCHER
Lutcher, Louisiana

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

1. **Summary of Significant Accounting Policies** (continued)

Pension Plans

The Town of Lutcher is a participating employer in two cost-sharing, multiple-employer defined benefit pension plans as described in Note 14. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plans.

Equity Classifications

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

- a. Net investment 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 do not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use for a particular project or service, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Financial Statements: In the fund financial statements, governmental fund equity is classified as fund balance. Accounting standards require governmental fund balances to be recorded in as many as five classifications as listed below:

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

TOWN OF LUTCHER
Lutcher, Louisiana

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

1. **Summary of Significant Accounting Policies** (continued)

Equity Classifications (continued)

- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Board of Aldermen, which is the highest level of decision-making authority.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.
- e. Unassigned – all other spendable amounts.

When expenditures are incurred for the purposes for which both restricted and unrestricted amounts are available, the Town reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned, and unassigned amounts are available, the Town reduces committed amounts first, followed by assigned amounts and then unassigned amounts.

Interfund Balances / Transfers

Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases, where repayment is expected, the transfers are accounted for through the various due from and due to accounts.

Deferred Outflows/Inflows of Resources

The statement of financial position will often report a separate section for deferred outflows and (or) deferred inflows of financial resources. *Deferred outflows* of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. *Deferred inflows* of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The primary government's deferred outflows and deferred inflows of resources on the statement of net position are a result of deferrals concerning pensions.

Estimates

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

TOWN OF LUTCHER
Lutcher, Louisiana

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

1. **Summary of Significant Accounting Policies** (continued)

Encumbrances

Encumbrance accounting, under which contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Town.

Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental, and accident benefits. The Town carries commercial insurance for all risks of loss.

Arbitrage Liability

Section 148 of the Internal Revenue Code of 1986, as amended, requires that issuers of tax exempt debt make arbitrage calculations annually on bond issues issued after August 31, 1986, to determine whether an arbitrage rebate liability exists between the issuer and the U.S. Department of Treasury. Arbitrage is the difference (or profit) earned from borrowing funds at tax exempt rates and investing the proceeds in higher yielding taxable securities. There are no arbitrage rebate liabilities outstanding to the U.S. Department of Treasury for Town issues at April 30, 2024.

Current Year Adoption of New Accounting Standards

The Town adopted GASB Statement 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This statement is intended to improve financial reporting in relation to these types of arrangements. The adoption of this statement did not significantly impact these financial statements.

The Town adopted GASB Statement No. 96 (GASB 96), *Subscription-Based Information Technology Arrangements*. This Statement streamlines the accounting for these types of arrangements with those arrangements listed under GASB 87 which requires all leases to be reported on the statement of net position under a single accounting model for both lessors and lessees. The adoption of this statement did not significantly impact these financial statements.

TOWN OF LUTCHER
Lutcher, Louisiana

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

2. **Cash**

At April 30, 2024, the carrying amounts of the Town's deposits were as follows:

Petty cash	\$	200
Demand deposit accounts/savings accounts		3,840,347
Restricted cash		398,162
Total	<u>\$</u>	<u>4,238,709</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by either federal deposit insurance or by the pledge of securities owned by a fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank.

3. **Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a financial institution failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. At April 30, 2024, the Town's bank balances totaled \$4,247,636. Of these bank balances, \$500,000 was covered by federal depository insurance, and \$3,574,179 was collateralized with securities held by the pledging financial institution's trust department or agent in the Town's name.

4. **Receivables**

Receivables as of April 30, 2024 for the Town's funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>		<u>Total Business-type Activities</u>
	<u>General Fund</u>	<u>Sewer Fund</u>	<u>Water Fund</u>	
<u>Receivables:</u>				
Property taxes	\$ 18,520	\$ -	\$ 11,879	\$ 11,879
Interest	67	-	-	-
Accounts	53,323	560,199	115,177	675,376
Other	1,892	-	-	-
Gross receivables	<u>73,802</u>	<u>560,199</u>	<u>127,056</u>	<u>687,255</u>
Less: allowance for uncollectibles	<u>(5,551)</u>	<u>(5,728)</u>	<u>(29,770)</u>	<u>(35,498)</u>
Net receivables	<u>\$ 68,251</u>	<u>\$ 554,471</u>	<u>\$ 97,286</u>	<u>\$ 651,757</u>

TOWN OF LUTCHER
Lutcher, Louisiana

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

5. Due from / to Other Governmental Units

At April 30, 2024, the Town has \$139,304 due from the St. James Parish School Board for sales tax collections. Additionally, the Town has \$895 due from the Governor’s Office of Homeland Security and Emergency Preparedness (GOHSEP) relating to Hurricane Ida recovery reimbursements.

6. Interfund Receivables and Payables

Interfund receivables and payables as of April 30, 2024 are as follows:

<u>Interfund Receivables</u>		<u>Interfund Payables</u>	
General Fund	\$ 341	General Fund	\$ -
Water Fund	1,276	Water Fund	341
Sewer Fund	-	Sewer Fund	1,276
Total	<u>\$ 1,617</u>	Total	<u>\$ 1,617</u>

Interfund receivable and payable balances represent short-term borrowings between funds.

7. Capital Assets

Capital assets and depreciation activity as of and for the year ended April 30, 2024, are as follows:

Governmental activities:

	<u>Land and Improvements</u>	<u>Buildings and Improvements</u>	<u>Lutcher Park</u>	<u>Streets</u>	<u>Drainage</u>	<u>Equipment</u>	<u>Construction in progress</u>	<u>Total</u>
Cost at April 30, 2023	\$ 49,005	\$ 296,936	\$345,635	\$ 2,296,051	\$ 1,202,911	\$ 416,841	\$ 30,576	\$ 4,637,955
Additions	-	78,718	-	-	58,970	5,784	1,056,408	1,199,880
Deletions	-	-	-	(9,839)	-	-	-	(9,839)
Transfers	-	-	-	-	735,482	-	(735,482)	-
Cost of Capital Assets April 30, 2024	49,005	375,654	345,635	2,286,212	1,997,363	422,625	351,502	5,827,996
Accumulated depreciation April 30, 2023	9,052	254,085	295,635	773,852	423,815	309,667	-	2,066,106
Additions	496	7,384	-	102,397	69,824	23,375	-	203,476
Deletions	-	-	-	(9,839)	-	-	-	(9,839)
Accumulated depreciation April 30, 2024	9,548	261,469	295,635	866,410	493,639	333,042	-	2,259,743
Capital Assets, net of accumulated depreciation at April 30, 2024	\$ 39,457	\$ 114,185	\$ 50,000	\$ 1,419,802	\$ 1,503,724	\$ 89,583	\$ 351,502	\$ 3,568,253

Capital assets above that are not being depreciated include land in the amount of \$39,085 included in Land and Improvements and Construction in progress of \$351,502. Additionally, land in the amount of \$50,000 included in Lutcher Park is not being depreciated.

TOWN OF LUTCHER
Lutcher, Louisiana

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

7. **Capital Assets** (continued)

Depreciation expense of \$203,476 for the year ended April 30, 2024 was charged to the following governmental functions:

General Government	\$ 14,237
Streets and Drainage	3,667
Public Safety	<u>185,572</u>
	<u>\$ 203,476</u>

Business-type activities:

	Land and Improvements	Water and Sewer Facility and System	Equipment	Construction in Progress	Total
Total Cost of Capital Assets					
April 30, 2023	\$ 114,855	\$ 10,179,119	\$ 593,788	\$ 139,862	\$ 11,027,624
Additions	-	106,384	249,330	246,177	601,891
Deletions	-	-	(48,951)	-	(48,951)
Transfers	-	386,039	-	(386,039)	-
Cost of Capital Assets					
April 30, 2024	<u>114,855</u>	<u>10,671,542</u>	<u>794,167</u>	<u>-</u>	<u>11,580,564</u>
Accumulated depreciation					
April 30, 2023	21,167	7,601,245	352,113	-	7,974,525
Additions	1,328	205,623	81,499	-	288,450
Deletions	-	-	(46,407)	-	(46,407)
Accumulated depreciation					
April 30, 2024	<u>22,495</u>	<u>7,806,868</u>	<u>387,205</u>	<u>-</u>	<u>8,216,568</u>
Capital Assets, net of accumulated depreciation at					
April 30, 2024	<u>\$ 92,360</u>	<u>\$ 2,864,674</u>	<u>\$ 406,962</u>	<u>\$ -</u>	<u>\$ 3,363,996</u>

Capital assets above that are not being depreciated include land in the amount of \$86,100 included in land and improvements.

Depreciation expense of \$288,450 for the year ended April 30, 2024 was charged to the following governmental functions:

Sewer Fund	\$ 141,613
Water Fund	<u>146,837</u>
	<u>\$ 288,450</u>

Construction Commitment

The government has an active construction contract at April 30, 2024, totaling \$124,500 in relation to the 2nd and 3rd Street Drainage improvements. The remaining commitment on this construction project at April 30, 2024, is \$44,500.

TOWN OF LUTCHER
Lutcher, Louisiana

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

8. Disaggregation of Accounts Payable and Accrued Payables

Accounts payables and accrued payables as of April 30, 2024 were as follows:

	Governmental Activities	Business- Type Activities	Total
Vendors	\$ 103,940	\$ 89,971	\$ 193,911
Salaries and benefits payable	14,409	18,931	33,340
Total encumbrances	<u>\$ 118,349</u>	<u>\$ 108,902</u>	<u>\$ 227,251</u>

9. Long-term Debt

The following is a summary of long-term debt transactions which occurred during the year ended April 30, 2024:

	Balance 4/30/23	Additions	Retirements	Balance 4/30/24	Due within One Year
Governmental activities:					
Direct borrowing and placement of debt:					
General Obligation					
Bonds, Series					
2012A	\$ 78,000	\$ -	\$ 19,000	\$ 59,000	\$ 19,000
Hurricane Recovery					
Revenue Bonds,					
Series 2022	750,000	-	400,000	350,000	-
	<u>\$ 828,000</u>	<u>\$ -</u>	<u>\$ 419,000</u>	<u>\$ 409,000</u>	<u>\$ 19,000</u>
Business-type activities:					
Direct borrowing and placement of debt:					
General Obligation					
Bonds, Series					
2012	\$ 640,000	\$ -	\$ 62,000	\$ 578,000	\$ 64,000
Taxable Limited					
Bonds, Series					
2016	299,000	-	18,000	281,000	19,000
Taxable Utilities					
Revenue Bonds,					
Series 2022	40,313	-	1,900	38,413	1,843
Taxable Utilities					
Revenue Bonds,					
Series 2023	-	168,372	82,502	85,870	3,363
	<u>\$ 979,313</u>	<u>\$ 168,372</u>	<u>\$ 164,402</u>	<u>\$ 983,283</u>	<u>\$ 88,206</u>

TOWN OF LUTCHER
Lutcher, Louisiana

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

9. **Long-term Debt** (continued)

Direct borrowings and placements at April 30, 2024 were comprised of the following individual issues:

Governmental activities:

Debt Service Fund

\$255,000 of General Obligation Bonds, Series 2012A; due in various semi-annual installments, including interest at 3%, through March 1, 2027; payable from ad valorem taxes. The bond document does not list any terms of events of default, termination events with financial related consequences, nor subjective acceleration clauses.

\$ 59,000

\$1,250,000 of Taxable Hurricane Recovery Bonds, Series 2022; due in various semi-annual installments, including interest at 4%, through September 1, 2027; payable from FEMA revenues. Events of default include failure to make punctual payment of principal amount due, failure to make punctual payment of any installment of interest that is due and payable, performance or observance of any other of the covenants, agreements, or conditions are not made and continues for a period of 45 days, or if the Town shall file a petition or other seek of relief under Federal or State bankruptcy law or other similar law.

350,000

\$ 409,000

Business-type activities:

Water Fund

\$1.1 million of General Obligation Bonds, Series 2012; due in various semi-annual installments, including interest at 2.95%, through March 1, 2032; payable from ad valorem taxes. Events of default include failure to make punctual payment of principal amount due, failure to make punctual payment of any installment of interest that is due and payable, performance or observance of any other of the covenants, agreements, or conditions are not made and continues for a period of 45 days, or if the Town shall file a petition or other seek of relief under Federal or State bankruptcy law or other similar law. The Bond is subject to prepayment at any time at a price equal to the principal amounts thereof advanced to the Issuer plus accrued interest to the date of prepayment. The bond document does not list any terms related to termination events with finance related consequences nor subjective acceleration clauses.

\$ 578,000

\$500,000 of Taxable Limited Bonds, Series 2016; due in various semi-annual installments, including interest at 1.95%, through March 1, 2037; payable from ad valorem taxes. The bond document does not list any terms of events of default, termination events with financial related consequences, nor subjective acceleration clauses.

281,000

TOWN OF LUTCHER
Lutcher, Louisiana

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

9. **Long-term Debt** (continued)

\$862,000 of Taxable Limited Bonds, Series 2023; due in various semi-annual installments, including interest at 1.95%, through December 1, 2043; payable from utility system revenues. Events of default include failure to make punctual payment of principal amount due, failure to make punctual payment of any installment of interest that is due and payable, performance or observance of any other of the covenants, agreements, or conditions are not made and continues for a period of 45 days, or if the Town shall file a petition or other seek of relief under Federal or State bankruptcy law or other similar law. The Bond is subject to prepayment at any time at a price equal to the principal amounts thereof advanced to the Issuer plus accrued interest to the date of prepayment. The bond document does not list any terms related to termination events with finance related consequences nor subjective acceleration clauses.

85,870

Sewer Fund

\$1.05 million of Taxable Utilities Revenue Bonds, Series 2022; due in various semi-annual installments, including interest at 0.45%, through March 1, 2032; payable from utility system revenues. Events of default include failure to make punctual payment of principal amount due, failure to make punctual payment of any installment of interest that is due and payable, performance or observance of any other of the covenants, agreements, or conditions are not made and continues for a period of 45 days, or if the Town shall file a petition or other seek of relief under Federal or State bankruptcy law or other similar law. The Bond is subject to prepayment at any time at a price equal to the principal amounts thereof advanced to the Issuer plus accrued interest to the date of prepayment. The bond document does not list any terms related to termination events with finance related consequences nor subjective acceleration clauses.

38,413

\$ 983,283

The annual requirements to amortize all debt outstanding as of April 30, 2024, are as follows:

Year ending April 30,	Principal	Interest	Total
2025	\$ 107,206	\$ 40,131	\$ 147,337
2026	110,369	37,227	147,596
2027	213,468	32,232	245,700
2028	346,507	22,158	368,665
2029	98,607	14,594	113,201
2030 – 2034	376,872	34,037	410,909
2035 – 2039	105,025	6,780	111,805
2040 – 2044	34,229	1,352	35,581
	<u>\$1,392,283</u>	<u>\$ 188,511</u>	<u>\$ 1,580,794</u>

TOWN OF LUTCHER
Lutcher, Louisiana

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

9. **Long-term Debt** (continued)

As part of the various bond agreements the Town has agreed to comply with certain covenants. The covenants consist, primarily, of reporting and audit requirements, maintenance of various deposit accounts and funds, and other administrative requirements.

Computation of legal debt margin for general obligation bonds is as follows:

Ad valorem tax – Assessed valuation, 2023 tax rolls	\$	19,254,472
Debt limit: 10% of assessed valuation (for any purpose)	\$	1,925,447
Debt limit: 15% of assessed valuation (for sewerage purposes)	\$	2,888,171
Debt limit: 35% of assessed valuation (aggregate, all purposes)	\$	6,739,065

10. **Accumulated Leave**

The following is a summary of the changes in accumulated leave for the year ended April 30, 2024:

	Balance 4/30/2023	Additions	Deletions	Balance 4/30/2024	Due within one year
Governmental:					
Compensated absences	\$ 13,396	\$ 17,649	\$ 13,614	\$ 17,431	\$ 10,081
Compensatory time	1,177	16,545	16,631	1,091	-
Total governmental	14,573	34,194	30,245	18,522	10,081
Business-type:					
Compensated absences	57,584	37,303	39,901	54,986	20,701
Compensatory time	69,191	58,593	47,937	79,847	-
Total business-type	126,775	95,896	87,838	134,833	20,701
Total primary government	\$ 141,348	\$ 130,090	\$ 118,083	\$ 153,355	\$ 30,782

11. **Ad Valorem Taxes**

Ad valorem taxes attach as enforceable liens on all applicable property on February 28th of each year. Taxes are levied and are billed to the taxpayers in November of each year. Billed ad valorem taxes become delinquent on January 1st of the following calendar year.

TOWN OF LUTCHER
Lutcher, Louisiana

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

11. Ad Valorem Taxes (continued)

The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of St. James Parish. During the year ended April 30, 2024 taxes of 7 mills were authorized and levied on property with assessed valuations totaling \$19,254,472 for general purposes. Additional taxes of 4.49 mills were authorized and levied on the same property for the purpose of accumulating enough funds to service the annual debt requirements as they become due. All millages expire on December 31, 2023. Ad valorem taxes levied during the year ended April 30, 2024 totaled \$221,237.

12. Sales Taxes

The Town receives a 1 percent sales tax collected on sales occurring within the boundaries of the Town of Lutcher. These proceeds are available for any lawful purpose of operating a municipality. The Town receives an additional 1 percent sales tax for the purpose of constructing, improving, extending and maintaining streets, drainage, water, sewer infrastructure and sewerage treatment works; and purchasing necessary equipment and land for any of the aforesaid public works, improvements and facilities. The Town recognized \$844,348 of sales tax revenue during the year ended April 30, 2024. These taxes do not expire.

13. Transfers to/from Other Funds

Interfund transfers at April 30, 2024, were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 496,717	\$ -
Debt Service Fund	393,953	-
Water Fund	333,400	-
Sewer Fund	-	1,224,070
	<u>\$ 1,224,070</u>	<u>\$ 1,224,070</u>

14. Pension and Retirement Plans

The Town is a participating employer in two cost-sharing defined benefit pension plans. These plans are administered by two public employee retirement systems, the Municipal Employees' Retirement System of Louisiana (MERS) and the Municipal Police Employees' Retirement System (MPERS). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of these plans to the State Legislature. Each system is administered by a separate board of trustees.

TOWN OF LUTCHER
Lutcher, Louisiana

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

14. Pension and Retirement Plans (continued)

Each of the Systems issues an annual publicly available financial report that includes financial statements and required supplementary information for the system. These reports may be obtained by writing, calling or downloading the reports as follows:

MERS:
7937 Office Park Boulevard
Baton Rouge, Louisiana
70809
(225) 925-4810
www.mersla.com

MPERS:
7722 Office Park Boulevard, Suite
200
Baton Rouge, LA 70809
(225) 929-7411
www.lampers.org

Plan Descriptions:

Municipal Employees' Retirement System of Louisiana (MERS)

The Municipal Employees' Retirement System of Louisiana (MERS) is the administrator of a cost-sharing multiple-employer defined benefit pension plan. The plan provides retirement, disability, and survivor benefits to eligible state employees as defined in LRS 11:1732. The age and years of credible service required in order for a member to receive retirement benefits are established by LRS 11:1801.

Municipal Police Employees' Retirement System of Louisiana (MPERS)

The Municipal Police Employees' Retirement System of Louisiana (MPERS) is the administrator of a cost sharing multiple-employer defined benefit pension plan. The plan provides retirement benefits for municipal police officers. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211 – 11:2233.

Funding Policy:

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee (PRSAC).

TOWN OF LUTCHER
Lutcher, Louisiana

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

14. Pension and Retirement Plans (continued)

Contributions to the plans are required and determined by State statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended April 30, 2024, for the Town and covered employees were as follows:

	Town	Employees
Municipal Employees' Retirement System Plan B		
Members hired prior to 01/01/2013	15.50%	5.00%
Members hired after 01/01/2013	15.50%	5.00%
Municipal Police Employees' Retirement Systems		
All employees hired prior to 01/01/2013 and all		
Hazardous Duty employees hired after 01/01/2013	33.925%	10.00%
Non-Hazardous Duty (hired after 01/01/2013)	33.925%	8.00%
Employees receiving compensation below poverty guidelines of US Department of health	36.425%	7.50%

The contributions made to the Systems for the past three fiscal years, which equaled the required contributions for each of the years ending April 30, 2024 were as follows:

	2024	2023	2022
Municipal Employees' Retirement System Plan B	\$104,053	\$ 97,404	\$ 85,759
Municipal Police Employees' Retirement System	\$ 60,102	\$ 43,690	\$ 25,915

Support of Non-Employer Contributing Entities

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The Town recognized revenue in an amount equal to their proportionate share of the total contributions to the plan from these non-employer contributing entities as follows:

Municipal Employees' Retirement System Plan B	\$	25,651
Municipal Police Employees' Retirement System		10,268
	\$	35,919

TOWN OF LUTCHER
Lutcher, Louisiana

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

14. **Pension and Retirement Plans** (continued)

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

The following schedule lists the Town's proportionate share of the Net Pension Liability allocated by each of the pension plans based on the June 30, 2023 measurement date. The Town uses this measurement to record its Net Pension Liability and associated amounts as of April 30, 2024 in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at June 30, 2023 along with the change compared to the June 30, 2022 rate. The Town's proportion of the Net Pension Liability was based on the Town's share of contributions to the pension plan relative to the contributions of all participating employers.

	Net Pension Liability at June 30, 2023	Rate at June 30, 2023	Increase (decrease) on June 30, 2022 Rate
Municipal Employees' Retirement System Plan B	\$ 645,724	0.8053%	-0.0291%
Municipal Police Employees' Retirement System	470,384	0.0445%	0.0133%
	<u>\$ 1,116,108</u>		

The following schedule lists the pension plan's recognized pension expense of the Town for the year ended April 30, 2024:

	Governmental Activities	Business-Type Activities	Total
Municipal Employees' Retirement System Plan B	\$ 36,474	\$ 66,212	\$ 102,686
Municipal Police Employees' Retirement System	131,643	-	131,643
	<u>\$ 168,117</u>	<u>\$ 66,212</u>	<u>\$ 234,329</u>

TOWN OF LUTCHER
Lutcher, Louisiana

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

14. **Pension and Retirement Plans** (continued)

At April 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 42,413	\$ (422)
Changes of assumptions	7,849	-
Net difference between projected and actual earnings on pension plan investments	134,545	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	148,165	(25,689)
Employer contributions subsequent to measurement date	140,353	-
	<u>\$ 473,325</u>	<u>\$ (26,111)</u>

Summary totals of deferred outflows of resources and deferred inflows of resources by pension plan:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Municipal Employees' Retirement System Plan B	\$ 188,595	\$ (25,832)
Municipal Police Employees' Retirement System	284,730	(279)
	<u>\$ 473,325</u>	<u>\$ (26,111)</u>

The Town reported a total of \$140,353 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2023 which will be recognized as a reduction in Net Pension Liability in the year ended April 30, 2025. The following schedule list the pension contributions made subsequent to the measurement period for each pension plan:

	<u>Subsequent Contributions</u>
Municipal Employees' Retirement System Plan B	\$ 88,960
Municipal Police Employees' Retirement System	51,393
	<u>\$ 140,353</u>

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

<u>Year</u>	<u>MERS</u>	<u>MPERS</u>	<u>Total</u>
2025	\$ 17,486	\$ 87,652	\$ 105,138
2026	5,093	70,144	75,237
2027	54,771	77,790	132,561
2028	(3,547)	(2,528)	(6,075)
	<u>\$ 73,803</u>	<u>\$ 233,058</u>	<u>\$ 306,861</u>

TOWN OF LUTCHER
Lutcher, Louisiana

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

14. Pension and Retirement Plans (continued)

Actuarial Assumptions:

A summary of the actuarial methods and assumptions used in determining the total pension liability for each pension plan as of June 30, 2023, are as follows:

	<u>MERS</u>	<u>MPERS</u>						
Valuation Date	June 30, 2023	June 30, 2023						
Actuarial Cost Method	Entry Age Normal Cost	Entry Age Normal cost						
Actuarial Assumptions:								
Expected Remaining Service Lives	3 years	4 years						
Investment Rate of Return	6.850%	6.750%						
Inflation Rate	2.500%	2.500%						
Mortality	<p>For annuitant and beneficiary mortality tables used were PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales</p> <p>For employees, the PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales</p> <p>For disable lives morality, PubNS-2010(B) Disabled Retiree Table set equal to 120% males and females with the full generational MP2018 scale.</p>	<p>For annuitant 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.</p> <p>For employees, the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale.</p> <p>For disabled lives, the Pub-2010 Public Retirement Plants Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale.</p>						
Salary Increases	<p>1-4 years of service - 7.4% - Plan B</p> <p>Over 4 years of service – 4.9% - Plan B</p>	<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;"><u>Years of Service</u></th> <th style="text-align: center;"><u>Salary Growth Rate</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1-2</td> <td style="text-align: center;">12.30%</td> </tr> <tr> <td style="text-align: center;">Above 2</td> <td style="text-align: center;">4.70%</td> </tr> </tbody> </table>	<u>Years of Service</u>	<u>Salary Growth Rate</u>	1-2	12.30%	Above 2	4.70%
<u>Years of Service</u>	<u>Salary Growth Rate</u>							
1-2	12.30%							
Above 2	4.70%							

TOWN OF LUTCHER
Lutcher, Louisiana

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

14. Pension and Retirement Plans (continued)

Actuarial Assumptions (continued)

	<u>MERS</u>	<u>MPERS</u>
Cost of Living Adjustments	<p>The System is authorized under state law to grant a cost of living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows the System to grant an additional cost of living increase to all retirees and beneficiaries who are age sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.</p>	<p>The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.</p>

The following schedule list the methods used by each of the retirement systems in determining the long term rate of return on pension plan investments:

<u>MERS</u>	<u>MPERS</u>
<p>The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimated ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.50% and an adjustment for the effect of rebalancing /diversification. The resulting expected long-term rates of return is 6.85% for the year ended June 30, 2023.</p>	<p>The forecasted long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.50% and an adjustment for the effect of rebalancing/diversification. The resulting forecasted long term rate of return is 7.90% for the year ended June 30, 2023.</p>

TOWN OF LUTCHER
Lutcher, Louisiana

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

14. **Pension and Retirement Plans** (continued)

Actuarial Assumptions (continued)

The following table provides a summary of the best estimates of arithmetic/geometric real rates of return for each major asset class included in each of the Retirement Systems target asset allocations as of June 30, 2023:

Asset Class	Target Allocation		Long-Term Expected Real Rate of Return	
	MERS	MPERS	MERS	MPERS
Public equity	56.0%	-	2.44%	-
Equity	-	52.0%	-	3.29%
Public fixed income	29.0%	-	1.26%	-
Fixed income	-	34.0%	-	1.12%
Alternatives	15.0%	14.0%	0.65%	0.95%
Total	<u>100.0%</u>	<u>100.0%</u>	4.35%	5.36%
Inflation			<u>2.50%</u>	<u>2.54%</u>
Expected Arithmetic Nominal Return			<u>6.85%</u>	<u>7.90%</u>

Discount Rate:

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan'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. The discount rate used to measure the total pension liability for MERS and MPERS was 6.850% and 6.750%, respectively for the measurement period ending June 30, 2023.

TOWN OF LUTCHER
Lutcher, Louisiana

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

14. **Pension and Retirement Plans** (continued)

Sensitivity of the Employer’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate:

The following table presents the Town’s proportionate share of the Net Pension Liability (NPL) using the discount rate of each retirement system as well as what the Town’s proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the retirement systems:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
MERS (Plan B)			
Rates	5.850%	6.850%	7.850%
Town of Lutcher’s Share of NPL	\$ 912,414	\$ 645,724	\$ 420,148
MPERS			
Rates	5.750%	6.750%	7.750%
Town of Lutcher’s Share of NPL	\$ 661,868	\$ 470,384	\$ 310,425

15. **Restricted Assets**

Under the terms of the bond indentures for the general obligation bonds, certain revenues are dedicated to the retirement of said bonds and are to be set aside into special accounts after provisions have been made for the payment of the reasonable and necessary expenses of operating and maintaining the utility systems. The balances in the reserve accounts total \$270,862.

As of April 30, 2024, the Town was in compliance with all related debt covenants.

At April 30, 2024, the Town has \$127,300 of cash restricted for the refunding of customer meter deposits.

16. **Commitments and Contingencies**

Commitments

The Town has entered into a contract effective November 1, 2022 with a Company for the collection of residential and commercial waste. The contract expires October 31, 2027. Payments made to the Company are based on a preestablished fee schedule that is billed monthly at a rate per residential and commercial unit. Expenditures amounted to over \$300,000 for the year ended April 30, 2024.

TOWN OF LUTCHER
Lutcher, Louisiana

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

16. **Commitments and Contingencies** (continued)

Contingencies

The Town received one-half of its allocated portion of the federal Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) enacted under the American Rescue Plan Act totaling \$588,620 in fiscal year 2022. In September 2022, the Town received its remaining allocation totaling \$588,620. As of April 30, 2024, the Town has spent nearly \$430,000 on improvements utilizing these funds. The remaining amount received but not yet spent is recorded as unearned revenue in the Sewer Fund. The Town expects to spend the remainder of these funds during 2025 and subsequent years on eligible expenditures. These funds are subject to repayment to the United States Treasury if not spent on eligible activities or programs.

Additionally, the Town has been awarded funding through the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) as a result of Hurricane Ida. As of April 30, 2024, the Town has received approximately \$80,000 that has not yet been spent on eligible expenditures. The amount of funds received but not yet spent are recorded as unearned revenues in the General Fund.

17. **Detailed Restricted Net Position and Fund Balances**

Details of restricted Net Position as reported in the government-wide Statement of Net Position are as follows:

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
Net position restricted for:			
Debt services:			
Debt service for Water Fund general obligation bonds	\$ -	\$ 186,794	\$ 186,794
Debt service for Water Fund taxable limited bonds	-	17,617	17,617
Debt service for Sewer Fund taxable limited bonds	-	33,809	33,809
Debt service for general obligation bonds	14,442	-	14,442
Capital improvements:			
Road maintenance	460,000	-	460,000
Total restricted net position	<u>\$ 474,442</u>	<u>\$ 238,220</u>	<u>\$ 712,662</u>

TOWN OF LUTCHER
Lutcher, Louisiana

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

17. **Detailed Restricted Net Position and Fund Balances** (continued)

Details of nonspendable, restricted, and unassigned fund balances at year-end are as follows:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Fund balances:			
Nonspendable:			
Prepaid insurance	\$ 3,907	\$ -	\$ 3,907
Restricted:			
Debt services:			
Debt service for general obligation bonds	-	14,442	14,442
Capital improvements:			
Road maintenance	460,000	-	460,000
Total Restricted	<u>460,000</u>	<u>14,442</u>	<u>474,442</u>
Unassigned	229,528	-	229,528
Total fund balances	<u>\$ 693,435</u>	<u>\$ 14,442</u>	<u>\$ 707,877</u>

18. **Tax Abatement**

The local government is subject to certain property tax abatements granted by the Louisiana State Board of Commerce and Industry (the "State Board"), a state entity governed by board members representing major economic groups and gubernatorial appointees. Abatements to which the government may be subject include those issued for property taxes under the Industrial Tax Exemption Program ("ITEP") and the Restoration Tax Abatement Program ("RTAP"). In addition, the local government has the authority to grant sales tax rebates to taxpayers pursuant to the Enterprise Zone Tax Rebate Program ("EZ Program"). For the year ending April 30, 2024, the Town did not participate in any Tax Exemption Programs.

TOWN OF LUTCHER
Lutcher, Louisiana

NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2024

19. Current Accounting Standards Scheduled to be Implemented

Following is a summary of the accounting standards adopted by the Governmental Accounting Standards Board (GASB) that are scheduled to be implemented in the future that may affect the Town's financial report:

GASB Statement 100, *Accounting Changes and Error Corrections-an amendment of GASB Statement 62*. This Statement aims to enhance accounting and financial reporting. The requirements of the Statement are effective for periods beginning after June 15, 2023. The Town will include the requirements of this statement, as applicable, in its April 30, 2025, financial statements. The effect of this statement or its applicability to the Town is unknown at this time.

GASB Statement 101, *Compensated Absences*. This Statement aims to enhance the relevance and reliability of information about the liability of compensated absences by providing a model that will result in a more robust estimate of the amount a government will pay or settle. The requirements of the Statement are effective for periods beginning after December 15, 2023. The Town will include the requirements of this statement, as applicable, in its April 30, 2025, financial statements. The effect of this statement or its applicability to the Town is unknown at this time.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

TOWN OF LUTCHER

Lutcher, Louisiana

**SCHEDULE OF THE TOWN OF LUTCHER'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY FOR THE RETIREMENT SYSTEMS
FOR THE YEAR ENDED APRIL 30, 2024 (*)**

<u>Pension Plan</u>	<u>Year</u>	<u>Employer's Proportion of the Net Pension Liability</u>	<u>Employer's Proportionate Share of the Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
Municipal Employees' Retirement System (Plan B)						
	2023	0.8053%	\$ 645,724	\$ 632,649	102.0667%	73.25%
	2022	0.8344%	732,608	564,443	129.7931%	69.56%
	2021	0.8076%	467,829	517,613	90.3820%	79.14%
	2020	0.7701%	697,921	550,215	126.8451%	66.26%
	2019	0.7689%	672,682	587,831	114.4346%	66.14%
	2018	0.7692%	650,632	570,056	114.1348%	65.60%
	2017	0.7650%	661,937	567,857	116.5676%	63.49%
	2016	0.7560%	626,671	555,452	112.8218%	63.34%
	2015	0.6997%	475,515	485,462	97.9510%	68.71%
	2014	0.6330%	297,170	397,823	74.6990%	76.94%
Municipal Police Employees' Retirement System						
	2023	0.0445%	\$ 470,384	\$ 150,128	313.3220%	71.30%
	2022	0.0312%	318,858	96,299	331.1125%	70.80%
	2021	0.0154%	82,085	46,981	174.7196%	84.09%
	2020	0.0152%	140,234	46,865	299.2297%	70.94%
	2019	0.0147%	133,773	46,000	290.8109%	71.01%
	2018	0.0156%	131,773	46,000	286.4630%	71.90%
	2017	0.0154%	134,527	46,000	292.3450%	70.08%
	2016	0.0113%	106,044	31,692	334.6081%	66.04%

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 30th for year listed.

See the accompanying notes to the Required Supplementary Information.

TOWN OF LUTCHER

Lutcher, Louisiana

SCHEDULE OF CONTRIBUTIONS TO EACH RETIREMENT SYSTEM

(DEFINED BENEFIT COST SHARING PLANS ONLY)

FOR THE YEAR ENDED APRIL 30, 2024

Pension Plan:	Year	Contractually Required Contribution ¹	Contributions in Relation to Contractually Required Contribution ²	Contribution Deficiency (Excess)	Covered Payroll ³	Contributions as a % of Covered Payroll
Municipal Employees' Retirement System (Plan B)						
	2024	\$ 104,053	\$ 104,053	\$ -	\$ 671,308	15.5000%
	2023	97,404	97,404	-	628,413	15.5000%
	2022	85,759	85,759	-	553,285	15.5000%
	2021	78,434	78,434	-	513,570	15.2723%
	2020	81,895	81,895	-	584,965	14.0000%
	2019	81,078	81,078	-	585,011	13.8592%
	2018	73,185	73,185	-	571,192	12.8127%
	2017	60,237	60,237	-	561,941	10.7195%
	2016	50,977	50,977	-	536,600	9.5000%
	2015	43,671	43,671	-	464,868	9.3943%
Municipal Police Employees' Retirement System						
	2024	\$ 60,102	\$ 60,102	\$ -	\$ 179,360	33.5091%
	2023	43,690	43,690	-	140,657	31.0614%
	2022	25,915	25,915	-	86,099	30.0991%
	2021	15,687	15,687	-	46,750	33.5551%
	2020	15,672	15,672	-	48,288	32.4553%
	2019	14,705	14,705	-	46,000	31.9672%
	2018	14,232	14,232	-	46,000	30.9391%
	2017	14,410	14,410	-	46,000	31.3261%
	2016	6,785	6,785	-	23,000	29.5000%

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

For reference only:

¹ Employer contribution rate multiplied by covered payroll

² Actual employer contributions remitted to Retirement Systems

³ Covered payroll amount for each of the fiscal years ended April 30.

See the accompanying notes to the Required Supplementary Information.

TOWN OF LUTCHER
Lutcher, Louisiana
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED APRIL 30, 2024

Changes of Benefit Terms include:

Municipal Employee's Retirement System (Plan B)

There were no changes of benefit terms for the years presented.

Municipal Police Employee's Retirement System

There were no changes of benefit terms for the years presented.

Changes of Assumptions:

Municipal Employee's Retirement System (Plan B)

The following changes in actuarial assumptions for each year are as follows:

<i>Discount Rate:</i>				<i>Merit:</i>			
Year End	Measurement date	Rate	Change	Year End	Measurement date	Rate	Change
4/30/2024	6/30/2023	6.850%	0.000%	4/30/2024	6/30/2023	2.400%	0.000%
4/30/2023	6/30/2022	6.850%	0.000%	4/30/2023	6/30/2022	2.400%	0.000%
4/30/2022	6/30/2021	6.850%	-0.100%	4/30/2022	6/30/2021	2.400%	0.000%
4/30/2021	6/30/2020	6.950%	-0.050%	4/30/2021	6/30/2020	2.400%	0.000%
4/30/2020	6/30/2019	7.000%	-0.275%	4/30/2020	6/30/2019	2.400%	0.000%
4/30/2019	6/30/2018	7.275%	-0.525%	4/30/2019	6/30/2018	2.400%	0.275%
4/30/2018	6/30/2017	7.800%	0.300%	4/30/2018	6/30/2017	2.125%	0.000%
4/30/2017	6/30/2016	7.500%	0.000%	4/30/2017	6/30/2016	2.125%	0.000%
4/30/2016	6/30/2015	7.500%	-0.250%	4/30/2016	6/30/2015	2.125%	-0.625%
4/30/2015	6/30/2014	7.750%		4/30/2015	6/30/2014	2.750%	

<i>Inflation Rate:</i>				<i>Salary Increases:</i>			
Year End	Measurement date	Rate	Change	Year End	Measurement date	Rate	Change
4/30/2024	6/30/2023	2.500%	0.000%	4/30/2024	6/30/2023	4.9% - 7.4%	0.000%
4/30/2023	6/30/2022	2.500%	0.000%	4/30/2023	6/30/2022	4.9% - 7.4%	0.000%
4/30/2022	6/30/2021	2.500%	0.000%	4/30/2022	6/30/2021	4.9% - 7.4%	0.000%
4/30/2021	6/30/2020	2.500%	0.000%	4/30/2021	6/30/2020	4.9% - 7.4%	0.000%
4/30/2020	6/30/2019	2.500%	-0.100%	4/30/2020	6/30/2019	4.9% - 7.4%	-0.1% - 2.4%
4/30/2019	6/30/2018	2.600%	-0.175%	4/30/2019	6/30/2018	5.000%	0.000%
4/30/2018	6/30/2017	2.775%	-0.100%	4/30/2018	6/30/2017	5.000%	0.000%
4/30/2017	6/30/2016	2.875%	0.000%	4/30/2017	6/30/2016	5.000%	0.000%
4/30/2016	6/30/2015	2.875%	-0.125%	4/30/2016	6/30/2015	5.000%	-0.750%
4/30/2015	6/30/2014	3.000%		4/30/2015	6/30/2014	5.750%	

TOWN OF LUTCHER
Lutcher, LA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED APRIL 30, 2024

Changes of Assumptions: (continued)

Municipal Police Employee's Retirement System

The following changes in actuarial assumptions for each year are as follows:

<i>Discount Rate:</i>				<i>Inflation Rate:</i>			
Year End	Measurement date	Rate	Change	Year End	Measurement date	Rate	Change
4/30/2024	6/30/2023	6.750%	0.000%	4/30/2024	6/30/2023	2.500%	0.000%
4/30/2023	6/30/2022	6.750%	0.000%	4/30/2023	6/30/2022	2.500%	0.000%
4/30/2022	6/30/2021	6.750%	-0.200%	4/30/2022	6/30/2021	2.500%	0.000%
4/30/2021	6/30/2020	6.950%	-0.175%	4/30/2021	6/30/2020	2.500%	0.000%
4/30/2020	6/30/2019	7.125%	-0.075%	4/30/2020	6/30/2019	2.500%	-0.100%
4/30/2019	6/30/2018	7.200%	-0.125%	4/30/2019	6/30/2018	2.600%	-0.100%
4/30/2018	6/30/2017	7.325%	-0.175%	4/30/2018	6/30/2017	2.700%	-0.175%
4/30/2017	6/30/2016	7.500%		4/30/2017	6/30/2016	2.875%	

Salary Increases including Merit:

Year End	Measurement date	Rate	Change
4/30/2024	6/30/2023	2.2% - 9.8%	0.000%
4/30/2023	6/30/2022	2.2% - 9.8%	0.000%
4/30/2022	6/30/2021	2.2% - 9.8%	0.000%
4/30/2021	6/30/2020	2.2% - 9.8%	0.45% - 2.55%
4/30/2020	6/30/2019	1.75% - 7.25%	0.10%
4/30/2019	6/30/2018	1.65% - 7.15%	0.10%
4/30/2018	6/30/2017	1.55% - 7.05%	0.175%
4/30/2017	6/30/2016	1.375% - 6.875%	

Town of Lutcher

Lutcher, Louisiana

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

YEAR ENDED APRIL 30, 2024

	Original Budget	Final Amended Budget	Actual	Favorable (Unfavorable)
<u>REVENUES</u>				
Taxes	\$ 825,000	\$ 930,000	\$ 985,131	\$ 55,131
Franchise taxes	120,000	119,000	110,040	(8,960)
Garbage fees	242,000	240,000	241,645	1,645
Licenses and permits	142,200	150,100	151,965	1,865
Intergovernmental revenues:				
Beer	1,000	1,000	1,082	82
Grants	275,000	386,500	522,863	136,363
Fines	3,000	4,000	4,465	465
Other revenue	15,000	42,687	27,953	(14,734)
Total revenues	<u>1,623,200</u>	<u>1,873,287</u>	<u>2,045,144</u>	<u>171,857</u>
<u>EXPENDITURES</u>				
Current:				
General government	623,100	640,840	681,073	(40,233)
Streets and drainage	376,550	369,240	577,287	(208,047)
Public safety	364,100	436,965	398,183	38,782
Sanitation	270,000	286,000	315,136	(29,136)
Capital outlay	867,500	517,845	494,974	22,871
Total expenditures	<u>2,501,250</u>	<u>2,250,890</u>	<u>2,466,653</u>	<u>(215,763)</u>
<u>EXCESS OF REVENUES UNDER EXPENDITURES</u>	(878,050)	(377,603)	(421,509)	387,620
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	600,000	400,000	496,717	96,717
Total other financing sources	<u>600,000</u>	<u>400,000</u>	<u>496,717</u>	<u>96,717</u>
<u>NET CHANGE IN FUND BALANCE</u>	(278,050)	22,397	75,208	484,337
<u>FUND BALANCE</u>				
Beginning of year	1,288,324	618,227	618,227	-
End of year	<u>\$ 1,010,274</u>	<u>\$ 640,624</u>	<u>\$ 693,435</u>	<u>\$ 484,337</u>

TOWN OF LUTCHER**Lutcher, Louisiana****BUDGETARY COMPARISON SCHEDULE****SCHEDULE OF EXPENDITURES****GENERAL FUND****YEAR ENDED APRIL 30, 2024**

	Original Budget	Final Amended Budget	Actual	Favorable (Unfavorable)
<u>GENERAL GOVERNMENT</u>				
Salaries	\$ 288,600	\$ 282,200	\$ 291,248	\$ (9,048)
Professional fees	62,000	61,850	61,054	796
Electricity	15,000	11,000	10,261	739
Insurance	69,750	107,500	104,175	3,325
Supplies and maintenance	16,500	25,375	45,870	(20,495)
Miscellaneous	34,750	14,815	24,972	(10,157)
Retirement	30,000	24,000	23,710	290
Office expenses	26,000	16,300	16,956	(656)
Payroll taxes	20,000	20,000	19,941	59
Per diem	20,000	26,000	26,992	(992)
Dues and subscriptions	2,500	4,800	4,839	(39)
Education and conventions	6,000	5,000	4,200	800
Computer	20,000	35,000	37,217	(2,217)
Telephone	12,000	7,000	9,638	(2,638)
Total general government	<u>623,100</u>	<u>640,840</u>	<u>681,073</u>	<u>(40,233)</u>
<u>STREETS AND DRAINAGE</u>				
Salaries	80,000	78,750	79,155	(405)
Payroll taxes	8,000	6,100	6,022	78
Miscellaneous	34,050	9,040	9,219	(179)
Gasoline, oil, and diesel	9,000	13,000	12,891	109
Street drainage and ditching	6,000	13,000	78,396	(65,396)
Beautification	10,000	1,600	1,581	19
Truck and tractor expense	10,000	10,000	10,754	(754)
Supplies and maintenance	57,000	88,100	214,055	(125,955)
Electricity	75,000	81,000	88,625	(7,625)
Insurance	25,000	6,650	6,604	46
Retirement	8,000	5,000	4,825	175
Uniforms	4,500	4,000	4,133	(133)
Grass cutting - contractor	50,000	53,000	61,027	(8,027)
Total streets and drainage	<u>376,550</u>	<u>369,240</u>	<u>577,287</u>	<u>(208,047)</u>

(continued)

TOWN OF LUTCHER

Lutcher, Louisiana

BUDGETARY COMPARISON SCHEDULE**SCHEDULE OF EXPENDITURES****GENERAL FUND****YEAR ENDED APRIL 30, 2024**

	Original Budget	Final Amended Budget	Actual	Favorable (Unfavorable)
<u>PUBLIC SAFETY</u>				
Salaries	208,100	274,750	227,132	47,618
Gasoline and oil	7,000	9,200	9,175	25
Uniforms	1,000	100	108	(8)
Telephone	3,000	3,000	3,245	(245)
Insurance	52,500	36,500	36,253	247
Vehicle expenses	2,500	4,400	4,452	(52)
Supplies and maintenance	2,000	2,850	9,733	(6,883)
Office supplies	1,000	805	842	(37)
Payroll taxes	14,000	19,000	18,734	266
Printing & publishing	500	150	146	4
Retirement	60,000	60,000	59,882	118
Miscellaneous	1,000	800	801	(1)
Computer	10,000	25,000	25,880	(880)
Education and convention	1,000	210	210	-
Dues and subscriptions	500	200	1,590	(1,390)
Total public safety	<u>364,100</u>	<u>436,965</u>	<u>398,183</u>	<u>38,782</u>
<u>SANITATION</u>				
Solid waste disposal	<u>270,000</u>	<u>286,000</u>	<u>315,136</u>	<u>(29,136)</u>
Total sanitation	<u>270,000</u>	<u>286,000</u>	<u>315,136</u>	<u>(29,136)</u>
<u>CAPITAL OUTLAY</u>				
Capital outlay	<u>867,500</u>	<u>517,845</u>	<u>494,974</u>	<u>22,871</u>
Total capital outlay	<u>867,500</u>	<u>517,845</u>	<u>494,974</u>	<u>22,871</u>
 Total all departments	 <u>\$ 2,501,250</u>	 <u>\$ 2,250,890</u>	 <u>\$ 2,466,653</u>	 <u>\$ (215,763)</u>

(concluded)

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

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

To the Honorable Mayor and Members
of the Board of Aldermen
Town of Lutcher, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Lutcher, Louisiana, (the Town) as of and for the year ended April 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated October 25, 2024.

Report on Internal Control over Financial Reporting

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

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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2024-002.

Town of Lutchers Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Town's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

The logo for EisnerAmper LLP, featuring the company name in a stylized, cursive script font.

EISNERAMPER LLP
Baton Rouge, Louisiana
October 25, 2024



TOWN OF LUTCHER
Lutcher, Louisiana

SCHEDULE OF FINDINGS AND RESPONSES

YEAR ENDED APRIL 30, 2024

SECTION I - SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness identified x Yes No
- Significant deficiency identified not considered to be a material weakness? Yes x None reported

Noncompliance material to financial statements noted? x Yes No

SECTION II - FINANCIAL STATEMENT FINDINGS

MATERIAL WEAKNESS

2024-001 INTERNAL CONTROL OVER FINANCIAL REPORTING

Criteria: Internal control over financial reporting includes ensuring that policies and procedures exist that pertain to an entity's ability to initiate, record, process, and report financial data consistent with the assertion embodied in the annual financial statements, which for the Town, is that financial statements are prepared in accordance with generally accepted accounting principles (GAAP).

Condition: During the audit, we noted several accounts which required adjustment in order for them to properly reflect end of year balances. There were material audit adjustments proposed related to the recording of bond proceeds, bond principal and interest payments, recording of grant revenues, and accounts payable. This is a repeat finding from 2023.

Cause: The Town experienced turnover in key positions during the fiscal year. Reconciliations are not properly prepared or reviewed. There is no evidence that journal entries are being reviewed by someone without access to post entries. Payables are being entered through the payable process, however they are not posting to the general ledger until payment is made.

Effect: Inaccurate financial information provided to the Board could cause inappropriate financial decisions.

Recommendation: The Town should develop procedures which include reconciling all balance sheet accounts on a monthly basis. The Town should also ensure that all bank accounts are being reconciled timely.

View of Responsible Official: Management will enhance accounting procedures to include the reconciliations recommended.

TOWN OF LUTCHER
Lutcher, Louisiana

SCHEDULE OF FINDINGS AND RESPONSES

YEAR ENDED APRIL 30, 2024

SECTION II - FINANCIAL STATEMENT FINDINGS

COMPLIANCE WITH LAWS AND REGULATIONS

2024-002 LOCAL GOVERNMENT BUDGET ACT

Criteria: Louisiana Revised Statute 38:1311 requires the governmental entity to revise its budget when anticipated expenditures and other uses exceed budgeted expenditures and other uses by five percent or more.

Condition: Actual expenditures and other uses in the General Fund exceeded budgeted expenditures and other uses by more than five percent.

Cause: The Town failed to take the necessary steps to ensure compliance with the requirements of Louisiana Revised Statute 39:1311.

Effect: The Town may not be in compliance with the requirements of Louisiana Revised Statute 39:1311

Recommendation: The Town should comply with the Local Government Budget Act.

View of Responsible Official: The Town will amend its budget when necessary, as required by the Local Government Budget Act.

TOWN OF LUTCHER
Lutcher, Louisiana

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED APRIL 30, 2024

FINDINGS – FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESS

2023-001 INTERNAL CONTROL OVER FINANCIAL REPORTING

Condition: During the audit, we noted several accounts which required adjustment in order for them to properly reflect end of year balances. These accounts included various receivable and liability accruals. Additionally, the Town has new cash accounts which are not being properly reconciled.

Current Status: Similar finding reported for fiscal year 2024. See finding 2024-001.

COMPLIANCE WITH LAWS AND REGULATIONS

2023-002 BOND REQUIREMENTS

Condition: The Town failed to make timely payment of principal and interest for the bond issues that were due in September.

Current Status: Resolved.

2023-003 LOCAL GOVERNMENT BUDGET ACT

Condition: Budgeted revenues and other sources in the General Fund exceeded actual revenues and other sources by more than five percent.

Current Status: Similar finding reported for fiscal year 2024. See finding 2024-002.

SUPPLEMENTARY INFORMATION

TOWN OF LUTCHER

Lutcher, Louisiana

SCHEDULE OF PRINCIPAL OFFICIALS AND SALARIES
YEAR ENDED APRIL 30, 2024

Mayor:		
Patrick St. Pierre	\$	40,000
Alderpeople:		
Rowdy K. Scott Jr.		13,400
Shanrick L. Burns		13,400
Donald Batiste		13,400
Ronald J. St. Pierre		13,400
Thomas George		13,400
Chief of Police:		
Dwan Bowser		54,250
	\$	<u>161,250</u>

TOWN OF LUTCHER
Lutcher, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
YEAR ENDED APRIL 30, 2024

Agency Head Name/Title: Mayor Patrick St. Pierre

<u>Purpose</u>		<u>Amount</u>
Salary	\$	40,000
Benefits - insurance		28,416
Benefits - retirement		6,200
Benefits – short term disability		49
Conferences		590
Special meals		591
Mileage		9,363
Other		242
Total	\$	<u>85,451</u>

TOWN OF LUTCHER
Lutcher, Louisiana

JUSTICE SYSTEM FUNDING SCHEDULE-COLLECTING/DISBURSING ENTITY
AS REQUIRED BY ACT 87 OF 2020 REGULAR LEGISLATIVE SESSION
CASH BASIS PRESENTATION
FOR THE YEAR ENDED APRIL 30, 2024

	<u>First Six Month Period Ended 10/31/23</u>	<u>Second Six Month Period Ended 4/30/24</u>
Beginning Balance of Amounts Collected	\$ -	\$ -
Add Collections:		
<i>Criminal Fines - Other</i>	2,447	1,514
Subtotal Collections	<u>2,447</u>	<u>1,514</u>
Less Amounts Retained by Collecting Agency		
Amounts Self-Disbursed to Collecting Agency: <i>Criminal Fines - Other</i>	2,447	1,514
Subtotal Disbursements/Retainage	<u>2,447</u>	<u>1,514</u>
Ending Balance of Amounts Collected but Not Disbursed	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

OTHER INFORMATION

TOWN OF LUTCHER
Lutcher, Louisiana

INSURANCE-IN-FORCE
April 30, 2024
(Without Audit)

<u>Type of Coverage</u>	<u>Name of Insurer</u>	<u>Expiration Date</u>	<u>Coverage Limits</u>
General Liability (business, auto, crime, law enforcement & public officials)	Risk Management, Inc.	May 1, 2025	\$ 4,000,000
Boiler & Machinery Equip.	Rod Prejean & Assoc.	May 1, 2025	\$ 3,478,761
Public Officials Bond	Rod Prejean & Assoc.	January 24, 2025	\$ 10,000
Commercial Property	Englade Boudreaux	June 12, 2025	\$ 3,208,493
Commercial Property Equipment	Englade Boudreaux	June 12, 2025	\$446,568
Commercial Wind and Hail	Englade Boudreaux	June 12, 2025	\$750,000
FHA Bond	Rod Prejean & Assoc.	January 27, 2025	\$ 70,000
Governmental Crime Policy	Rod Prejean & Assoc.	March 23, 2025	\$ 10,000
Vehicle Physical Damage	Rod Prejean & Assoc.	May 1, 2025	\$ 407,317
Workers Compensation	Risk Management, Inc.	May 1, 2025	\$700,000

TOWN OF LUTCHER
Lutcher, Louisiana

PUBLIC UTILITY SYSTEM OPERATIONS
APRIL 30, 2024
(Without Audit)

Statistics on System Operations

- (a) As of April 30, 2024 the number of metered customers was 1,301 and 1,241 for the water and sewer systems, respectively. There were no unmetered customers for either the water or sewer systems at April 30, 2024.
- (b) The following rate schedules were in effect during the fiscal year ended April 30, 2024 for water and sewer services:
 - (1) Water

The water rates to all water suppliers and to all water customers as users of the Town water system are as follows:

Residential Customers	
0 – 2,500 gallons	\$19.68 (base rate)
Over 2,500 gallons	\$4.49 per 1,000 gallons or fraction thereof
Small Commercial Customers	
0 – 5,000 gallons	\$43.99 (base rate)
Over 5,000 gallons	\$4.49 per 1,000 gallons or fraction thereof
Medium Commercial Customers	
0 – 10,000 gallons	\$61.00 (base rate)
Over 10,000 gallons	\$4.49 per 1,000 gallons or fraction thereof
Large Commercial Customers	
0 – 25,000 gallons	\$77.75 (base rate)
Over 25,000 gallons	\$4.49 per 1,000 gallons or fraction thereof

TOWN OF LUTCHER
Lutcher, Louisiana

PUBLIC UTILITY SYSTEM OPERATIONS
APRIL 30, 2024
(Without Audit)

Statistics on System Operations (continued)

(2) Sewer

The rates and charges for all customers and users of the sewerage treatment and disposal system of the Town are hereby established as follows:

Residential Customers	\$ 15.00 (flat rate)
Small Commercial Customers	\$ 40.00 (flat rate)
Medium Commercial Customers	\$ 90.00 (flat rate)
Large Commercial Customers	\$ 180.00 (flat rate)

(c) Average monthly billing per customer during the year ended April 30, 2024:

1. Water	<u>\$ 39.36</u>
2. Sewer	<u>\$ 19.10</u>

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**Town of Lutchter
2024 Statewide Agreed Upon Procedures**



CONTENTS

	PAGE
Independent Accountant's Report on Applying Agreed-Upon Procedures	1
Schedule A – Agreed-Upon Procedures Performed and Associated Findings	2 – 13
Schedule B – Corrective Action Plan	14

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To: Board of the Town of Lutcher and the Louisiana Legislative Auditor

We have performed the procedures enumerated in Schedule A on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) of the Town of Lutcher for the fiscal period May 1, 2023, through April 30, 2024. Town of Lutcher's management is responsible for those C/C areas identified in the SAUPs.

The Town of Lutcher has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of performing specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period May 1, 2023, through April 30, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures we performed, and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

We were engaged by Town of Lutcher to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs of the Town of Lutcher for the fiscal period May 1, 2023, through April 30, 2024. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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



EISNERAMPER LLP
Baton Rouge, Louisiana
October 25, 2024

**TOWN OF LUTCHER
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
APRIL 30, 2024**

Schedule A

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read “*no exception noted*” or for step 13 “*we performed the procedure and discussed the results with management*” If not, then a description of the exception ensues.

1) Written Policies and Procedures

A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

No exception noted.

ii. **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

No exception noted.

iii. **Disbursements**, including processing, reviewing, and approving

No exception noted.

iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

No exception noted.

v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

No exception noted.

vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

The Town's contracting policy does not address (2) standard terms and conditions. For attribute (1), (3), (4), and (5), no exceptions were noted.

vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

No exception noted.

viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

No exception noted.

TOWN OF LUTCHER
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
APRIL 30, 2024

Schedule A

- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

No exception noted.

- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

No exception noted.

- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

No exception noted.

- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

The Town's policy does not specifically address (3) annual reporting. For attributes (1) and (2), no exceptions were noted.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- i. Observe whether the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exception noted.

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget- to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

No exception noted.

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

No exception noted.

**TOWN OF LUTCHER
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
APRIL 30, 2024**

Schedule A

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

No monthly written updates of the progress of resolving audit findings were provided to the Board of Aldermen.

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

A listing of bank accounts was provided and included a total of nine bank accounts. Management identified the entity's three main operating accounts. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected 5 bank accounts (3 main operating and 2 randomly) and obtained the bank reconciliations for the month ending September 30, 2023, resulting in 5 bank reconciliations obtained and subjected to the below procedures.

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

Of the five bank accounts selected, one did not have a formal reconciliation performed any time during the fiscal year.

- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and

Of the five bank accounts selected, one did not have a formal reconciliation performed any time during the fiscal year.

- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Of the five bank accounts selected, one did not have a formal reconciliation performed any time during the fiscal year. Of the four remaining bank accounts, two bank reconciliations had reconciling items that have been outstanding for more than twelve months. There was no documentation evidencing that these reconciling items were researched for proper disposition.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

A listing of deposit sites was provided and included a total of one deposit site. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected the deposit site and performed the procedures below.

TOWN OF LUTCHER
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
APRIL 30, 2024

Schedule A

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

A listing of collection locations for each deposit site selected in procedure #4A was provided and included a total of one collection location. No exceptions were noted as a result of performing this procedure.

From each of the listings provided, we selected the collection location for the deposit site. Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

- i. Employees responsible for cash collections do not share cash drawers/registers;

The three employees responsible for cash collections share cash drawers/registers.

- ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit;

The three employees responsible for collecting cash also prepare/make the bank deposit and reconciles collection documentation to the deposit.

- iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

Two of the three employees responsible for collecting cash also post collection entries to the general ledger and reconciles ledger postings to each other and the deposit.

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee verifies the reconciliation.

The employee responsible for reconciling cash collections to the general ledger is also, at certain times, responsible for collecting cash without verification from another employee.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

No exception noted.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

We randomly selected 2 deposit dates for each of the 5 bank accounts selected in procedure #3A. We obtained supporting documentation for each of the 8 deposits and performed the procedures below. One of the five accounts did not have deposit activity for the period.

**TOWN OF LUTCHER
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
APRIL 30, 2024**

Schedule A

- i. Observe that receipts are sequentially pre-numbered.
The Town does not maintain sequentially prenumbered receipts for all collection types.
- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
No exception noted.
- iii. Trace the deposit slip total to the actual deposit per the bank statement.
No exception noted.
- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
No exception noted.
- v. Trace the actual deposit per the bank statement to the general ledger.
No exception noted.

5) Non-payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
The listing of locations that process payments for the fiscal period was provided. No exceptions were noted as a result of performing this procedure.
From the listing provided, we randomly selected x locations and performed the procedures below.
- B. For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:
The listing of employees involved with non-payroll purchasing and payment functions for each payment processing location selected in procedure #5A was provided. No exceptions were noted as a result of performing this procedure.
Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
No exception noted.
 - ii. At least two employees are involved in processing and approving payments to vendors;
No exception noted.

**TOWN OF LUTCHER
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
APRIL 30, 2024**

Schedule A

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

No exception noted.

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

No exception noted.

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

No exception noted.

- C. For each location selected under #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and

A listing of non-payroll disbursements for each payment processing location selected in procedures #5A was provided related to the reporting period. No exceptions were noted as a result of performing this procedure.

From each of the listings provided, we randomly selected x disbursements and performed the procedures below.

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity, and

No exception noted.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

No exception noted.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

The Town does not make non-payroll-related electronic disbursements; therefore, this procedure is not applicable.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

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

A listing of cards was provided. No exceptions were noted as a result of performing this procedure.

TOWN OF LUTCHER
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
APRIL 30, 2024

Schedule A

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

From the listing provided, we randomly selected 5 cards (three credit cards and two fuel cards) used in the fiscal period. We randomly selected one monthly statement for each of the 5 cards selected and performed the procedures noted below.

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported; and

No exception noted.

- ii. Observe that finance charges and late fees were not assessed on the selected statements.

No exception noted.

- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

We selected all transactions for each of the three credit cards from each statement and obtained supporting documentation for the transactions. For each transaction, observed that it was supported by (1) an original itemized receipt that identified precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). Two of the six transactions tested lacked written documentation of the business/public purpose.

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

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

The listing of travel and travel-related expense reimbursements was provided for the fiscal period. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 reimbursements and performed the procedures below.

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);

Of the five reimbursements selected, none used a per diem. No exception noted.

**TOWN OF LUTCHER
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
APRIL 30, 2024**

Schedule A

- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

No exception noted.

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by "Written Policies and Procedures", procedure #1A(vii); and

One of the reimbursements selected for testing lacked the names of persons participating in meals.

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

One of the five reimbursements was not approved by someone other than the person receiving reimbursement.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

An active vendor list for the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 contracts and performed the procedures below.

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

None of the five contracts selected were subject to Louisiana Public Bid Law, based on the terms. Therefore, this procedure is not applicable.

- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter);

No exception noted.

- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

None of the five contracts selected contained amendments. Therefore, this procedure is not applicable.

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exception noted.

9) Payroll and Personnel

- A. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

A listing of employees/elected officials employed during the fiscal year was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 employees/officials and performed the specified procedures.

- B. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

We randomly selected 1 pay period during the fiscal period and performed the procedures below for the 5 employees/officials selected in procedure #9A.

- i. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

No exception noted.

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

Three of the five employees selected lacked approval of time and attendance by a supervisor.

- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

No exception noted.

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

No exception noted.

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

A listing of employees/officials receiving termination payments during the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 2 employees/officials and performed the specified procedures. No exception noted.

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

No exceptions noted.

10) Ethics

- A. Using the 5 randomly selected employees/officials from procedure "Payroll and Personnel" procedure #9A, above obtain ethics documentation from management, and
- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
No exception noted.
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
There were no changes to the ethics policy in the current fiscal period; therefore, this procedure is not applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.
No exception noted.

11) Debt Service

- A. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued as required by Article VII, Section 8 of the Louisiana Constitution.
No exception noted.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).
A listing of bonds/notes outstanding at the end of the fiscal period was provided. No exceptions were noted as a result of performing this procedure.
From the listing provided, we randomly selected 1 bond/note and performed the specified procedures. No exception noted.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
There were no misappropriations of public funds and assets reported during the fiscal period. No exceptions were noted as a result of performing this procedure.
- B. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.
No exception noted.

13) Information Technology Disaster Recovery/Business Continuity

A. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**

- i. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

- ii. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

- iii. Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidenced that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the results with management.

C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency’s information technology assets have completed cybersecurity training as required by R.S. 42:12671. The requirements are as follows:

- Hired before June 9, 2020 - completed the training; and
- Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

No exception noted.

14) Prevention of Sexual Harassment

A. Using the 5 randomly selected employees/officials from “Payroll and Personnel” procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

No exception noted.

¹ While it appears to be a good practice for charter schools to ensure its employees are trained to keep their information technology assets safe from cyberattack, charter schools do not appear required to comply with 42:1267. An individual charter school, though, through specific provisions of its charter, may mandate that all employees/officials receive cybersecurity training.

**TOWN OF LUTCHER
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
APRIL 30, 2024**

Schedule A

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

No exception noted.

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

- i. Number and percentage of public servants in the agency who have completed the training requirements;

No exception noted.

- ii. Number of sexual harassment complaints received by the agency;

No exception noted.

- iii. Number of complaints which resulted in a finding that sexual harassment occurred;

No exception noted.

- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action;
and

No exception noted.

- v. Amount of time it took to resolve each complaint.

No exception noted.



Mayor
Patrick P. St. Pierre

Aldermen
Donald J. Batiste, Sr.
Shanrick L. Burns
Thomas George
Rowdy K. Scott, Jr.
Ronald J. St. Pierre

Town of Lutchers

St. James Parish
P.O. Box 456
Lutchers, Louisiana 70071
Telephone: (225) 869-5823
Fax: (225) 869-9628



Town Clerk
Kevin H. Criddle

Town Attorney
Wilbur W. Reynaud

Chief of Police
Dwan B. Bowser

October 25, 2024

EISNERAMPER, LLP
P.O. Box 1190
Donaldsonville, LA 70346

The purpose of this communication is to respond to issues included in the Statewide Agreed-Upon Procedures (SAUPs) letter for the audit period which ended April 30, 2024.

1) Written Policies and Procedures

- Corrective Action – Management will implement and establish procedures to ensure the following:
- Management has begun the process to compile a written policies procedures guide for all business/financial operations. These policies and procedures should cover all categories and subcategories.
- Management will train all employees on contracting requirements.

2) Board or Finance Committee

- The Board will be provided written updates on the progress of resolving audit matters monthly.

3) Band Reconciliations

- Management will complete a formal reconciliation on all accounts and train employees

4) Collections

- It is not economically feasible to employ additional resources to properly segregate duties over the cash function currently.

6) Credit Cards/ Debit Cards/ Purchase Cards

- Management will train employees on policies and procedures for credit card use.

7) Travel and Travel-Related Expense Reimbursements

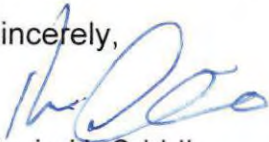
- Management has begun the process to train employees on Travel and Travel related expense reimbursement policy.

9) Payroll and Personnel

- Management will train employees and supervisors on attendance and leave payroll process and procedures.

If you have questions regarding this plan, please call Mayor Patrick St. Pierre or Kevin H. Criddle at (225)869-5823.

Sincerely,



Kevin H. Criddle
Town Clerk