

**Town of Haynesville**  
Haynesville, Louisiana

Annual Financial Statements  
with Independent Auditor's Report

As of and For the Year Ended  
June 30, 2023  
with Supplemental Information Schedules

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**Independent Auditor's Report**

Town of Haynesville  
Haynesville, Louisiana

**Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Haynesville, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Haynesville's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, and each major fund of the Town of Haynesville, as of June 30, 2023, 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 the financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Haynesville, 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.

**Responsibility 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 of Haynesville's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's 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 auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 of Haynesville'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 of Haynesville'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 Budgetary Comparison Schedule, the Schedule of Employer's Share of Net Pension Liability (MERS, MPERS), and the Schedule of Employer Contributions (MERS, MPERS) be presented to supplement the basic financial statements, as listed in the table of contents. 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.

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

## **Supplementary Information**

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

The Schedule of Compensation, Benefits, and Other Payments to Agency Head; the Schedule of Compensation Paid Councilpersons; and the Schedule of Justice System Funding Collecting/Disbursing Entity are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits, and Other Payments to Agency Head; the Schedule of Compensation Paid Councilpersons; and the Schedule of Justice System Funding Collecting/Disbursing Entity are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated December 22, 2023, on our consideration of the Town of Haynesville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Town of Haynesville's internal control over financial reporting and compliance.

*Kenneth D. Folden & Co., CPAs, LLC*

Jonesboro, Louisiana  
December 22, 2023

# **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS**

Town of Haynesville  
Haynesville, Louisiana

Statement of Net Position  
As of June 30, 2023

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and equivalents	\$ 619,873	\$ 91,037	\$ 710,910
Investments	-	150,809	150,809
Accounts receivable	116,365	73,795	190,160
Cash and equivalents - restricted	-	24,765	24,765
Investments - restricted	-	51,439	51,439
Capital assets (net of accumulated depreciation)	2,506,535	1,858,876	4,365,411
<b>Total Assets</b>	<u>3,242,773</u>	<u>2,250,721</u>	<u>5,493,494</u>
<b>Deferred Outflows of Resources</b>			
Pension	434,125	189,335	623,460
<b>Total Deferred Outflows of Resources</b>	<u>434,125</u>	<u>189,335</u>	<u>623,460</u>
<b>Liabilities</b>			
Accounts payable	48,618	68,744	117,362
Payroll liabilities	24,328	11,916	36,244
Customer meter deposits	-	149,155	149,155
Long-term liabilities	1,172,329	539,935	1,712,264
<b>Total Liabilities</b>	<u>1,245,275</u>	<u>769,750</u>	<u>2,015,025</u>
<b>Deferred Inflows of Resources</b>			
Pension	232,210	91,782	323,992
<b>Total Deferred Inflows of Resources</b>	<u>232,210</u>	<u>91,782</u>	<u>323,992</u>
<b>Net Position</b>			
Net investment in capital assets	2,506,535	1,835,368	4,341,903
Unrestricted	(307,122)	(256,845)	(563,967)
<b>Total Net Position</b>	<u>\$ 2,199,413</u>	<u>\$ 1,578,523</u>	<u>\$ 3,777,936</u>

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

Town of Haynesville  
Haynesville, Louisiana

Statement of Activities  
For the Year Ended June 30, 2023

Expenses	Major Funds			Net (Expense) Revenue and Changes in Net Position			
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
<u>Functions/Programs</u>							
Primary government							
Governmental activities							
General government	\$ 781,490	\$ -	\$ 279,391	\$ 153,727	\$ (348,372)	\$ -	(348,372)
Police	660,465	148,600	-	-	(511,865)	-	(511,865)
Highways and streets	153,941	-	-	-	(153,941)	-	(153,941)
Parks and recreation	158,417	4,604	-	5,000	(148,813)	-	(148,813)
Other departments	15,531	-	-	-	(15,531)	-	(15,531)
Total governmental activities	<u>1,769,844</u>	<u>153,204</u>	<u>279,391</u>	<u>158,727</u>	<u>(1,178,522)</u>	<u>-</u>	<u>(1,178,522)</u>
Business-type activities							
Water and sewer	<u>1,052,342</u>	<u>843,596</u>	<u>52,418</u>	<u>17,500</u>	<u>-</u>	<u>(138,828)</u>	<u>(138,828)</u>
Total primary government	<u>\$ 2,822,186</u>	<u>\$ 996,800</u>	<u>\$ 331,809</u>	<u>\$ 176,227</u>	<u>(1,178,522)</u>	<u>(138,828)</u>	<u>(1,317,350)</u>
<u>General Revenues</u>							
Taxes:							
Property taxes, levied for general purposes				310,460	-		310,460
Sales taxes				767,818	-		767,818
Franchise taxes				97,977	-		97,977
Other taxes				2,809	-		2,809
Licenses				132,356	-		132,356
Intergovernmental				109,808	-		109,808
Investment earnings				3,643	512		4,155
Rental income				16,840	-		16,840
Other revenue				29,040	43,044		72,084
Operating transfers				(23,082)	23,082		-
Total general revenues and transfers				<u>1,447,669</u>	<u>66,638</u>		<u>1,514,307</u>
Change in net position				269,147	(72,190)		196,957
Net position - June 30, 2022				<u>1,930,265</u>	<u>1,650,713</u>		<u>3,580,978</u>
Net position - June 30, 2023				<u>\$ 2,199,412</u>	<u>\$ 1,578,523</u>		<u>\$ 3,777,935</u>

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

# **FUND FINANCIAL STATEMENTS**

Town of Haynesville  
Haynesville, Louisiana

Balance Sheet - Governmental Funds  
As of June 30, 2023

	Major Funds			Total
	General Fund	Sales Tax Fund	Recreation District Wards 2 & 3	
<b>Assets</b>				
Cash and equivalents	\$ 324,521	\$ 201,883	\$ 93,469	\$ 619,873
Accounts receivable	43,402	72,903	60	116,365
<b>Total Assets</b>	<u>\$ 367,923</u>	<u>\$ 274,786</u>	<u>\$ 93,529</u>	<u>\$ 736,238</u>
<b>Liabilities &amp; Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 23,609	\$ 16,063	\$ 8,946	\$ 48,618
Payroll liabilities	23,486	-	841	24,327
<b>Total Liabilities</b>	<u>47,095</u>	<u>16,063</u>	<u>9,787</u>	<u>72,945</u>
Fund balances:				
Assigned, reported in:				
Special revenue fund	-	258,723	83,740	342,463
Unassigned	320,828	-	-	320,828
<b>Total Fund Balances</b>	<u>320,828</u>	<u>258,723</u>	<u>83,740</u>	<u>663,291</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 367,923</u>	<u>\$ 274,786</u>	<u>\$ 93,527</u>	<u>\$ 736,236</u>

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

Town of Haynesville  
Haynesville, Louisiana

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
As of June 30, 2023

Total Fund Balances at June 30, 2023 - Governmental Funds (Statement C)	\$	663,292
Total Net Position reported for governmental activities in the Statement of Net Position (Statement A) are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds, net of depreciation.		2,506,535
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Net pension liability \$1,152,794		
Compensated absences \$19,535		(1,172,329)
Deferred outflows of resources		434,125
Deferred inflows of resources		(232,210)
		(232,210)
Net Position at June 30, 2023	\$	2,199,413

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

Town of Haynesville  
Haynesville, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds  
For the Year Ended June 30, 2023

	Major Funds			Total
	General Fund	Sales Tax Fund	Recreation District Wards 2 & 3	
<b>Revenues</b>				
Taxes:				
Ad valorem tax	\$ 116,782	\$ -	\$ 193,677	\$ 310,459
Franchise tax	97,977	-	-	97,977
Sales tax	-	767,818	-	767,818
Other tax	2,809	-	-	2,809
Licenses and permits	132,356	-	-	132,356
Operating grant	279,391	-	-	279,391
Intergovernmental	109,808	-	-	109,808
Fines, forfeitures, and court costs	136,510	-	-	136,510
Rent, royalty, and commission	16,840	-	-	16,840
Charges for services	12,090	-	4,604	16,694
Miscellaneous	4,841	-	-	4,841
<b>Total revenues</b>	<u>909,404</u>	<u>767,818</u>	<u>198,281</u>	<u>1,875,503</u>
<b>Expenditures</b>				
Current:				
General government	493,079	191,311	-	684,390
Public safety				
Police	617,441	-	-	617,441
Streets	138,608	-	-	138,608
Parks and recreation	-	-	125,225	125,225
Other departments	15,531	-	-	15,531
Capital outlay	179,211	-	11,581	190,792
<b>Total expenditures</b>	<u>1,443,870</u>	<u>191,311</u>	<u>136,806</u>	<u>1,771,987</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(534,466)</u>	<u>576,507</u>	<u>61,475</u>	<u>103,516</u>
<b>Other financing sources (uses)</b>				
Capital grant	153,727	-	5,000	158,727
Interest earnings	2,928	205	509	3,642
Operating transfers	429,133	(458,500)	6,285	(23,082)
<b>Total other financing sources (uses)</b>	<u>585,788</u>	<u>(458,295)</u>	<u>11,794</u>	<u>139,287</u>
<b>Net changes in fund balances</b>	51,322	118,212	73,269	242,803
<b>Fund balances - June 30, 2022</b>	269,506	140,512	10,470	420,488
<b>Fund balances - June 30, 2023</b>	<u>\$ 320,828</u>	<u>\$ 258,724</u>	<u>\$ 83,739</u>	<u>\$ 663,291</u>

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

Town of Haynesville  
Haynesville, Louisiana

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,  
and Changes in Funds Balances to the Statement of Activities  
For the Year Ended June 30, 2023

Total net change in Fund Balances - Governmental Funds (Statement E)	\$	242,804
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Amounts reported for governmental activities in the Statement of Activities are different because:

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

Depreciation		(149,871)
Capital outlay		190,792
Compensated absence expense decrease (increase)		(1,118)
Net pension liability decrease (increase)		(13,459)
Change in net position of governmental activities (Statement B)	\$	269,148

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

Town of Haynesville  
Haynesville, Louisiana

Statement of Net Position - Proprietary Fund  
As of June 30, 2023

	Proprietary Fund - Enterprise Funds		Total
	Sewer Fund	Utility Fund	
<b>Assets</b>			
Current Assets:			
Cash and equivalents	\$ 33,848	\$ 57,189	\$ 91,037
Investments	150,809	-	150,809
Accounts receivable	16,624	57,171	73,795
Total Current Assets	<u>201,281</u>	<u>114,360</u>	<u>315,641</u>
Noncurrent Assets:			
Cash and equivalents - restricted	-	24,765	24,765
Investments - restricted	-	51,439	51,439
Capital assets (net of accumulated depreciation)	1,498,582	360,293	1,858,875
Total Noncurrent Assets	<u>1,498,582</u>	<u>436,497</u>	<u>1,935,079</u>
<b>Total Assets</b>	<u>1,699,863</u>	<u>550,857</u>	<u>2,250,720</u>
<b>Deferred Outflows of Resources</b>			
Pension	-	189,335	189,335
<b>Total Deferred Outflows of Resources</b>	<u>-</u>	<u>189,335</u>	<u>189,335</u>
<b>Liabilities</b>			
Current Liabilities:			
Accounts payable	7,254	61,490	68,744
Payroll liabilities	4,442	7,474	11,916
Total Current Liabilities	<u>11,696</u>	<u>68,964</u>	<u>80,660</u>
Current liabilities payable from restricted assets:			
Customer meter deposits	-	149,155	149,155
Long-Term Liabilities:			
Net pension liability	-	539,935	539,935
<b>Total Liabilities</b>	<u>11,696</u>	<u>758,054</u>	<u>769,750</u>
<b>Deferred Inflows of Resources</b>			
Pension	-	91,782	91,782
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>91,782</u>	<u>91,782</u>
<b>Net Position</b>			
Net investment in capital assets	1,478,955	356,413	1,835,368
Unrestricted	208,112	(464,957)	(256,845)
<b>Total Net Position</b>	<u>\$ 1,687,067</u>	<u>\$ (108,544)</u>	<u>\$ 1,578,523</u>

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

Town of Haynesville  
Haynesville, Louisiana

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Fund  
For the Year Ended June 30, 2023

	Proprietary Fund - Enterprise Funds		Total
	Sewer Fund	Utility Fund	
<b>Operating Revenues</b>			
Charges for services	\$ 218,925	\$ 624,671	\$ 843,596
Miscellaneous income	25	43,019	43,044
Total operating revenues	<u>218,950</u>	<u>667,690</u>	<u>886,640</u>
<b>Operating Expenses</b>			
Personnel services	131,550	233,521	365,071
Supplies	34,964	181,006	215,970
Utilities	37,749	6,932	44,681
Repairs and maintenance	13,734	20,269	34,003
Contractual services	5,000	211,507	216,507
Miscellaneous	122	38,510	38,632
Depreciation	82,768	54,710	137,478
Total operating expenses	<u>305,887</u>	<u>746,455</u>	<u>1,052,342</u>
<b>Operating Income (Loss)</b>	(86,937)	(78,765)	(165,702)
<b>Non-operating Revenues (Expenses)</b>			
Interest earnings	192	320	512
Grant income	17,500	52,418	69,918
Total non-operating revenues (expenses)	<u>17,692</u>	<u>52,738</u>	<u>70,430</u>
<b>Income (loss) before transfers</b>	<u>(69,245)</u>	<u>(26,027)</u>	<u>(95,272)</u>
<b>Transfers in (out)</b>	2,127	20,955	23,082
Total transfers	<u>2,127</u>	<u>20,955</u>	<u>23,082</u>
<b>Change in net position</b>	(67,118)	(5,072)	(72,190)
<b>Total Net Position - June 30, 2022</b>	<u>1,754,185</u>	<u>(103,472)</u>	<u>1,650,713</u>
<b>Total Net Position - June 30, 2023</b>	<u>\$ 1,687,067</u>	<u>\$ (108,544)</u>	<u>\$ 1,578,523</u>

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

Town of Haynesville  
Haynesville, Louisiana

Statement of Cash Flows - Proprietary Fund  
For the Year Ended June 30, 2023

	Proprietary Fund - Enterprise Funds		Total
	Sewer Fund	Utility Fund	
<b>Cash flows from operating activities</b>			
Cash received from customers	\$ 221,260	\$ 641,639	\$ 862,899
Cash payments to suppliers for goods and services	(91,884)	(426,517)	(518,401)
Cash payments to employees for services	(130,544)	(231,143)	(361,687)
Net cash provided by (used for) operating activities	<u>(1,168)</u>	<u>(16,021)</u>	<u>(17,189)</u>
<b>Cash flows from non-capital financing</b>			
Transfers to (from) other funds	2,127	20,955	23,082
Net cash provided by (used for) non-capital financing activities	<u>2,127</u>	<u>20,955</u>	<u>23,082</u>
<b>Cash flows from capital and related financing activities</b>			
Capital grant	17,500	52,418	69,918
Acquisition of capital assets	(19,627)	(1,475)	(21,102)
Net cash provided by (used for) capital and related financing activities	<u>(2,127)</u>	<u>50,943</u>	<u>48,816</u>
<b>Cash flows from investing activities</b>			
Interest earnings	43	270	313
Other income (expense)	605	(405)	200
Net cash provided by (used for) investing activities	<u>648</u>	<u>(135)</u>	<u>513</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(520)	55,742	55,222
<b>Cash and cash equivalents - June 30, 2022</b>	<u>34,368</u>	<u>26,212</u>	<u>60,580</u>
<b>Cash and cash equivalents - June 30, 2023</b>	<u>\$ 33,848</u>	<u>\$ 81,954</u>	<u>\$ 115,802</u>
<b>Reconciliation of operating income to net provided by operating activities</b>			
Operating income	\$ (86,937)	\$ (78,766)	\$ (165,703)
Adjustments			
Depreciation	82,768	54,710	137,478
Net changes in assets and liabilities			
Investments	(149)	(51)	(200)
Accounts receivable	1,528	(4,923)	(3,395)
Customers' security deposits	-	672	672
Accounts payable	1,622	25,814	27,436
Due to other funds	-	(6,131)	(6,131)
Current increase (decrease) in pension liability	-	(7,346)	(7,346)
Net cash provided for (used for) operating activities	<u>\$ (1,168)</u>	<u>\$ (16,021)</u>	<u>\$ (17,189)</u>

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

**NOTES TO THE  
FINANCIAL STATEMENTS**

Town of Haynesville  
Haynesville, Louisiana

Notes to the Financial Statements  
As of and For the Year Ended June 30, 2023

**INTRODUCTION**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Presentation**

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

**B. Reporting Entity**

GASB Statement No. 14, The Financial Reporting Entity, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Town is considered a primary government, since it is a general purpose local government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the Town may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt.

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

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

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

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

**C. Government-Wide Financial Statements**

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

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

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

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

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

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

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

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Notes to the Financial Statements  
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**D. Fund Financial Statements**

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

*Governmental Funds*

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

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

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

The Town of Haynesville reports the following major governmental funds:

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

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

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Revenues

The governmental funds use the following practices in recording revenues:

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

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

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

Expenditures

The governmental funds use the following practices in recording expenditures:

Salaries are recorded as expenditures when earned by employees.

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

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

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

Other Financing Sources (Uses)

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

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

*Proprietary Funds*

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

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

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

Revenues and Expenses

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

**E. Equity Classifications**

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

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

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

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

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

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

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

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**Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The Town did not have any nonspendable funds for the year ended June 30, 2023.

**Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Town did not have any restricted funds for the year ended June 30, 2023.

**Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Town Council. These amounts cannot be used for any other purpose unless the Town Council removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Town Council typically establishes commitments through the adoption and amendment of the budget. The Town did not have any committed funds for the year ended June 30, 2023.

**Assigned:** This classification includes amounts that are constrained by the Town's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Town Council or through the Town Council delegating this responsibility to a body or official (Mayor) for specific purposes. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The Town has \$340,678 in assigned funds for year ended June 30, 2023.

**Unassigned:** This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts. The General Fund amount of \$322,613 is designated as unassigned.

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

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**F. Budgets**

The Mayor prepares a proposed budget and submits it to the Town Council no later than fifteen days prior to the beginning of each fiscal year. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted. The budget ordinance is structured such that revenues are budgeted by source and appropriations are budgeted by department and by principal object of expenditure. The Town Council may revise or amend the budget at its discretion during legally convened sessions. Management may amend the budget only below the department level. The Town utilizes formal budgetary integration as a management control device for all funds.

The 2022-2023 general fund budget and special fund budgets were published in the official journal and made available for public inspection. A public hearing for the proposed budgets was held on June 16, 2022, and the budgets were adopted by the Mayor and Town Council. A public hearing was held for the budgets to be amended on June 15, 2023, and was adopted by the Mayor and Town Council.

**G. Cash and Cash Equivalents**

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

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

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

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

**H. Investments**

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

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

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

**I. Interfund Receivables and Payables**

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

**J. Inventories**

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

**K. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are recorded in the applicable governmental or business-type activities columns of the government-wide financial statements, but are not reported in the governmental fund financial statements. Acquisitions of property and equipment are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town maintains a threshold level of \$1,000 or more for capitalizing capital assets.

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

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

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

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

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**L. Deferred Outflows of Resources**

The Town reports decreases in net position that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statements of net position. The Town reported \$623,460 in deferred outflows of resources due to the net pension liability.

**M. Compensated Absences**

Compensated absences computed by the Town is as follows:

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

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

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

At June 30, 2023, employees of the Town have accumulated and vested \$19,535 of employee leave benefits, computed in accordance with GASB Statement No. 16. The entire compensated absence liability is reported on the government-wide financial statements.

**N. Deferred Inflows of Resources**

The Town reports increases in net position that relate to future periods as deferred inflows of resources in a separate section of its government-wide and proprietary funds statements of net position. The Town will not recognize the related revenues until a future event occurs. The Town reported \$323,992 of deferred inflows of resources due to the net pension liability.

**O. Interfund Transactions**

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

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

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

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

**P. Estimates**

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

**2. Ad Valorem Taxes**

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

This millage was approved by the Town Council on July 21, 2022.

	Authorized Millage	Levied Millage	Expiration Date
Street & Sewerage	5.00	5.040	2031
General Operation		9.57	

**3. Sales Tax**

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

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

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

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**4. Cash, Cash Equivalents, and Investments**

At June 30, 2023, the Town had cash and cash equivalents (book balances) totaling \$735,675, of which \$659,349 was in demand deposits, \$75,951 was in certificates of deposits less than 90 days, and \$375 was in petty cash. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

At June 30, 2023, the Town had \$790,111 in deposits (collected bank balances). These deposits are secured from risk by \$699,854 of federal deposit insurance, and \$173,523 of pledged securities held in a Federal Reserve pledge account. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement No. 40, Louisiana Revised Statute 30:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand. Louisiana R.S. 39:1224 requires bonds, or other such instruments furnished as security, to be deposited with the depositing authority or with an unaffiliated bank or trust company, Federal Reserve Bank, or any Federal Home Loan Bank or its successor. This security is deemed to be under the control and in the possession of the public entity and deemed to be held in its name. The Town of Haynesville has complied with these requirements of state law.

Cash and investments are categorized to give an indication of the level of risk assumed by the Town at June 30, 2023. Deposits are considered to be exposed to custodial credit risk if they are not covered by depository insurance and the deposits are (a) uncollateralized, (b) collateralized with securities held by the pledging financial institution, or (c) collateralized with securities held by the the pledging financial institution's trust department or agent but not in the depositor-government's name. The Town of Haynesville has cash and cash equivalents that are covered by federal depository insurance. The remaining balance is exposed to custodial credit risk because it is uninsured and collateralized with securities held by the pledging financial institution.

At June 30, 2023, the Town had investments of \$202,248. All investments were certificates of deposit with a maturity of more than 90 days. These deposits were secured with \$80,392 of federal deposit insurance and \$634,647 of pledged securities.

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**5. Receivables**

The receivables of \$190,161 at June 30, 2023, are as follows:

	Fund			Total
	General	Sales Tax	Enterprise	
Ad valorem taxes	\$ 60	\$ -	\$ -	\$ 60
Occupational licenses	7,391	-	-	7,391
Fines	14,967	-	-	14,967
Sales taxes	-	72,903	-	72,903
Franchise and other taxes	17,303	-	-	17,303
Rent, royalty, commission	750	-	-	750
Services	-	-	75,326	75,326
Other	2,991	-	(1,531)	1,461
<b>Total</b>	<b>\$ 43,462</b>	<b>\$ 72,903</b>	<b>\$ 73,795</b>	<b>\$ 190,161</b>

**6. Capital Assets**

A summary of changes in capital assets for the year ended June 30, 2023, is as follows.

*A. Capital Assets - Governmental Activities*

	Balance, July 01, 2022	Additions	Deletions	Balance, June 30, 2023
Capital assets not depreciated				
Land	\$ 399,279	\$ -	\$ -	\$ 399,279
Construction in progress	-	-	-	-
Total capital assets not being depreciated	399,279	-	-	399,279
Capital assets being depreciated				
Buildings and improvements	2,658,046	71,275	-	2,729,320
Equipment and furniture	1,973,127	119,518	-	2,092,645
Infrastructure	512,922	-	-	512,922
Total capital assets being depreciated	\$ 5,144,095	\$ 190,792	\$ -	\$ 5,334,887
Less accumulated depreciation				
Buildings and improvements	\$ 1,245,167	\$ 69,522	\$ -	\$ 1,314,689
Equipment and furniture	1,734,969	67,526	-	1,802,496
Infrastructure	97,623	12,823	-	110,446
Total accumulated depreciation	3,077,760	149,871	-	3,227,631
Capital assets, net	\$ 2,066,335	\$ 40,921	\$ -	\$ 2,107,256
Governmental capital assets - net	\$ 2,465,614	\$ 40,921	\$ -	\$ 2,506,535

Town of Haynesville  
Haynesville, Louisiana

Notes to the Financial Statements  
As of and For the Year Ended June 30, 2023

Functional Allocation of Depreciation Expense

General government	\$	58,324
Public safety		43,024
Public works		15,332
Parks and recreation		33,192
Total	\$	<u>149,872</u>

*B. Capital Assets - Business-Type Activities*

	Balance, July 01, 2022	Additions	Deletions	Balance, June 30, 2023
Capital assets not depreciated				
Land	\$ 25,500	\$ -	\$ -	\$ 25,500
Total capital assets not being depreciated	<u>25,500</u>	<u>-</u>	<u>-</u>	<u>25,500</u>
Capital assets being depreciated				
Utility Plant and Distribution System	\$ 6,052,087	\$ -	\$ -	\$ 6,052,087
Machinery and equipment	642,075	1,475	-	643,550
Buildings	-	19,627	-	19,627
Total capital assets being depreciated	<u>\$ 6,694,162</u>	<u>\$ 21,102</u>	<u>\$ -</u>	<u>\$ 6,715,264</u>
Less accumulated depreciation				
Utility Plant and Distribution System	\$ 4,179,574	\$ 123,697	\$ -	\$ 4,303,271
Machinery and equipment	564,836	13,170	-	578,006
Building	-	611	-	611
Total accumulated depreciation	<u>\$ 4,744,410</u>	<u>\$ 137,478</u>	<u>\$ -</u>	<u>\$ 4,881,888</u>
Capital assets, net	<u>\$ 1,949,752</u>	<u>\$ (116,376)</u>	<u>\$ -</u>	<u>\$ 1,833,376</u>
Business-type capital assets - net	<u>\$ 1,975,252</u>	<u>\$ (116,376)</u>	<u>\$ -</u>	<u>\$ 1,858,876</u>

Functional Allocation of Depreciation Expense

Utility	\$	54,710
Sewer		82,768
Total	\$	<u>137,478</u>

Town of Haynesville  
Haynesville, Louisiana

Notes to the Financial Statements  
As of and For the Year Ended June 30, 2023

**7. Payables**

The payables of \$153,605 at June 30, 2023, are as follows:

	Fund				Total
	General	Sales Tax	Recreation	Enterprise	
Accounts	\$ 23,609	\$ 16,063	\$ 8,946	\$ 68,744	\$ 117,362
Payroll liabilities	23,486	-	841	11,916	36,243
<b>Total</b>	<b>\$ 47,095</b>	<b>\$ 16,063</b>	<b>\$ 9,787</b>	<b>\$ 80,660</b>	<b>\$ 153,605</b>

**8. Retirement Systems**

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

*Plan Description*

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

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System.

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

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

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

For the year ended June 30, 2023, the Town of Haynesville's total payroll for all employees was \$388,884 and total covered payroll was \$891,784. Covered payroll refers to all compensation paid by the Town of Haynesville to active employees covered by the Plan.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810, or by visiting the System's website [www.mersla.com](http://www.mersla.com).

Town of Haynesville  
Haynesville, Louisiana

Notes to the Financial Statements  
As of and For the Year Ended June 30, 2023

*Contributions*

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended June 30, 2023, the actual employer contribution rate was 29.50% for Plan A, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. The Town of Haynesville's contributions to the System under Plan A for the year ending June 30, 2023 were \$115,252.

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

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

At June 30, 2023, the Employer reported a liability of \$849,739 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2022, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Town of Haynesville's proportion of the Net Pension Liability was based on a projection of the Town of Haynesville's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the Town of Haynesville's proportion was 0.204597%, which was an increase of 0.022527% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the Town of Haynesville recognized pension expense of \$123,716 plus employer's amortization of change in proportionate share, differences between employer contributions and proportionate share of contributions, and contributions made after the measurement date, which was (\$121,423). Total pension expense was \$2,293.

Town of Haynesville  
Haynesville, Louisiana

Notes to the Financial Statements  
As of and For the Year Ended June 30, 2023

At June 30, 2023, the Town of Haynesville reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,003	\$ 3,254
Changes in assumption	8,230	-
Net difference between projected and actual earnings on pension plan	141,393	-
Changes in employer's proportion of beginning net pension liability	52,479	28,056
Differences between employer and proportionate share of contributions	-	117,030
Contributions after the measurement period	<u>114,721</u>	<u>-</u>
Total	<u>\$ 317,826</u>	<u>\$ 148,340</u>

The \$114,721 reported as deferred outflows of resources related to pensions resulting from Town of Haynesville contributions subsequent to the measurement date will be recognized as an increase of Net Pension Liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ended June 30:	
2024	\$ (39,208)
2025	12,638
2026	13,530
2027	67,806

Town of Haynesville  
Haynesville, Louisiana

Notes to the Financial Statements  
As of and For the Year Ended June 30, 2023

*Actuarial Assumptions*

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2022, are as follows:

Valuation Date	June 30, 2022	
Actuarial Cost Method	Entry Age Normal	
Actuarial Assumptions:		
Investment Rate of Return	6.85%	
Inflation Rate	2.5%	
Projected Salary Increases	Years of Service	Salary Growth Rate
	1-4	6.400%
	Above 4	4.500%
Annuitant and beneficiary mortality	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.	
Employee mortality	PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.	
Disabled lives mortality	PubG-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale.	

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimated ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2022 are summarized in the following table:

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

Town of Haynesville  
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Notes to the Financial Statements  
As of and For the Year Ended June 30, 2023

*Discount Rate*

The discount rate used to measure the total pension liability was 6.85%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

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

The following presents the Town of Haynesville's proportionate share of the net pension liability calculated using the discount rate of 6.85%, as well as what the Town of Haynesville's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.85%) or one percentage-point higher (7.85%) than the current rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
Employer's proportionate share of net pension liability	\$ 1,130,319	\$ 849,739	\$ 612,658

*Plan Fiduciary Net Position*

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

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

*Plan Description*

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

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

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

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

Town of Haynesville  
Haynesville, Louisiana

Notes to the Financial Statements  
As of and For the Year Ended June 30, 2023

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

Hazardous Duty

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

Non Hazardous Duty

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

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

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

For the year ended June 30, 2023, the Town of Haynesville's total payroll for all employees was \$891,784. Total covered payroll was \$306,634. Covered payroll refers to all compensation paid by the Town of Haynesville to active employees covered by the Plan.

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

*Contributions*

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended June 30, 2023, the actual employer contribution rate was 31.25%, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations. The Town of Haynesville's contributions to the System for the year ended June 30, 2023 were \$95,823.

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

Town of Haynesville  
Haynesville, Louisiana

Notes to the Financial Statements  
As of and For the Year Ended June 30, 2023

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

At June 30, 2023, the Employer reported a liability of \$842,990 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2022, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Town of Haynesville's proportion of the Net Pension Liability was based on a projection of the Town of Haynesville's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the Town of Haynesville's proportion was 0.082470%, which was an increase of 0.002124% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the Town of Haynesville recognized pension expense of \$144,320 plus employer's amortization of change in proportionate share, differences between employer contributions and proportionate share of contributions, contributions made after the measurement date, which was (\$107,584). Total pension expense was \$36,736.

At June 30, 2023, the Town of Haynesville reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	4,158	6,871
Changes in assumptions	29,078	6,270
Net difference between projected and actual earnings on pension plan	150,500	-
Changes in employer's proportion of beginning net pension liability	26,072	41,586
Differences between employer and proportionate share of contributions	-	120,925
Contributions after the measurement period	95,823	-
Total	<u>\$ 305,631</u>	<u>\$ 175,652</u>

Town of Haynesville  
Haynesville, Louisiana

Notes to the Financial Statements  
As of and For the Year Ended June 30, 2023

The \$95,823 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of Net Pension Liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ended June 30:

2024	\$ (24,158)
2025	(15,282)
2026	(5,344)
2027	78,940

*Actuarial Assumptions*

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2022, are as follows:

Valuation Date	June 30, 2022	
Actuarial Cost Method	Entry Age Normal Cost	
Actuarial Assumptions:		
Investment Rate of Return	6.750%, net of investment expense	
Expected Remaining Service Lives	4 years	
Inflation Rate	2.50%	
Projected Salary Increases	Years of Service	Salary Growth Rate
	1-2	12.30%
	Above	4.70%
Mortality	<p>For annuitants and beneficiaries, the Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.</p> <p>For disabled lives, the Pub-2010 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used.</p> <p>For employees, the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.</p>	
Cost-of-Living Adjustments	<p>The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.</p>	

Town of Haynesville  
Haynesville, Louisiana

Notes to the Financial Statements  
As of and For the Year Ended June 30, 2023

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period of July 1, 2014 through June 30, 2019, and review of similar law enforcement mortality. A change was made full generational mortality which combines the use of a base mortality table with appropriate mortality improvement scales. In order to set the base mortality table, actual plan mortality experience was assigned a credibility weighting and combined with a standard table to produce current levels of mortality. The best estimates of the arithmetic rates of return for each major asset class included in the System's target allocation as of June 30, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	56%	3.60%
Fixed income	31%	0.85%
Alternatives	14%	0.95%
Other	-%	-%
Totals	100%	5.40%
Inflation		2.66%
Expected arithmetic nominal return		8.06%

*Discount Rate*

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

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

The following presents the Town of Haynesville's proportionate share of the net pension liability calculated using the discount rate of 6.75%, as well as what the Town of Haynesville's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.75%) or one percentage-point higher (7.75%) than the current rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
Employer's proportionate share of net pension liability	\$ 1,180,024	\$ 842,990	\$ 561,454

Town of Haynesville  
Haynesville, Louisiana

Notes to the Financial Statements  
As of and For the Year Ended June 30, 2023

*Plan Fiduciary Net Position*

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

**9. Long-Term Obligations**

The following is a summary of the long-term obligation transactions for the year ended June 30, 2023:

Long-term obligation	Balance, July 01, 2022	Additions	Deletions	Balance, June 30, 2023
Net pension liability	934,716 \$	758,013 \$	- \$	1,692,729
Compensated absences	18,418	2,236	1,119 \$	19,535
Total	<u>\$ 953,134</u>	<u>\$ 760,249</u>	<u>\$ 1,119</u>	<u>\$ 1,712,264</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of June 30, 2023:

Long-term obligation	Current portion	Long-term portion	Total
Net pension liability	\$ -	1,692,729 \$	1,692,729
Compensated absences	-	19,535	19,535
Total	<u>\$ -</u>	<u>\$ 1,712,264</u>	<u>\$ 1,712,264</u>

Town of Haynesville  
Haynesville, Louisiana

Notes to the Financial Statements  
As of and For the Year Ended June 30, 2023

**10. Grants**

A summary of grant revenues for the year ended June 30, 2023, is as follows.

Entity	Department	Operating Amount	Capital Amount	Description of Use
American Rescue Plan	General	\$ 237,747	\$ 136,227	
Claiborne Parish Police Jury	General	500		Christmas decorations
Homeland Security & Emergency Prep	General	36,509		Main Street buildings
Louisiana Government Assistance Program	General		15,000	Renovate City Hall
Community Foundation of North Louisiana	General		2,500	Renovate City Hall
Federal Emergency Management Agency	Streets	4,635		Vegetative debris cut
Weyerhaeuser	Recreation		5,000	Tables
Louisiana Government Assistance Program	Sewer		17,500	Security gate at Sewer Treatment facility
Federal Emergency Management Agency	Water	18,810		Well pump motor
Clean Water Enrichment Fund	Water	5,170		Water meters
Clean Water Enrichment Fund	Water	14,655		Water meters
Clean Water Enrichment Fund	Water	13,783		Water meters
Total		<u>\$ 331,809</u>	<u>\$ 176,227</u>	

**11. Risk Management**

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

**12. Litigation and Claims**

At June 30, 2023, the Town was not involved in any lawsuits nor is aware of any outstanding claims, which are not covered by insurance.

**13. Deficit Net Position**

At June 30, 2023, a net position deficit of \$307,122 exists in the Governmental Activities and a deficit of \$256,845 exists in the Utility Fund (Enterprise Fund) resulting from the net pension liability that was accounted for according to GASB Statement 68. The liability is an estimate of the Town's proportionate share of the cost-sharing retirement plan for municipal employees and municipal police employees. Please refer to Note 8 for a detailed explanation on the retirement plan.

**14. Subsequent Events**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 22, 2023, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

Town of Haynesville  
Haynesville, Louisiana

Budgetary Comparison Schedule - General Fund  
For the Year Ended June 30, 2023

	Budget - Original	Budget - Final	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
Taxes:				
Ad valorem tax	\$ 116,000	\$ 116,000	\$ 116,782	\$ 782
Franchise tax	77,000	91,000	97,977	6,977
Other tax	2,800	2,800	2,809	9
Licenses and permits	86,800	105,495	132,356	26,861
Operating grant	435,500	388,500	279,391	(109,109)
Intergovernmental	30,610	62,710	109,808	47,098
Fines, forfeitures, and court costs	98,752	110,350	136,510	26,160
Rent, royalty, and commission	26,100	18,030	16,840	(1,190)
Charges for services	8,700	10,000	12,090	2,090
Miscellaneous	11,000	3,950	4,841	891
<b>Total revenues</b>	<u>893,262</u>	<u>908,835</u>	<u>909,404</u>	<u>569</u>
<b>Expenditures</b>				
Current:				
General government	520,500	655,765	493,079	162,686
Public safety				
Police	443,400	580,312	617,441	(37,129)
Streets	168,000	138,595	138,608	(13)
Other departments	15,500	16,375	15,531	844
Capital outlay	-	39,000	179,211	(140,211)
<b>Total expenditures</b>	<u>1,147,400</u>	<u>1,430,047</u>	<u>1,443,870</u>	<u>(13,823)</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(254,138)</u>	<u>(521,212)</u>	<u>(534,466)</u>	<u>(13,254)</u>
<b>Other financing sources (uses)</b>				
Capital grant	2,500	41,144	153,727	112,583
Interest earnings	1,890	2,250	2,928	678
Operating transfers	418,000	462,000	429,133	(32,867)
<b>Total other financing sources (uses)</b>	<u>422,390</u>	<u>505,394</u>	<u>585,788</u>	<u>80,394</u>
<b>Net changes in fund balances</b>	168,252	(15,818)	51,322	67,140
<b>Fund balances - June 30, 2022</b>	<u>269,506</u>	<u>269,506</u>	<u>269,506</u>	<u>-</u>
<b>Fund balances - June 30, 2023</b>	<u>\$ 437,758</u>	<u>\$ 253,688</u>	<u>\$ 320,828</u>	<u>\$ 67,140</u>

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

Town of Haynesville  
Haynesville, Louisiana

Budgetary Comparison Schedule - Sales Tax Fund  
For the Year Ended June 30, 2023

	Budget - Original	Budget - Final	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
Taxes:				
Sales tax	\$ 716,000	\$ 719,500	\$ 767,818	\$ 48,318
<b>Total revenues</b>	<u>716,000</u>	<u>719,500</u>	<u>767,818</u>	<u>48,318</u>
<b>Expenditures</b>				
Current:				
General government	212,700	213,810	191,311	22,499
<b>Total expenditures</b>	<u>212,700</u>	<u>213,810</u>	<u>191,311</u>	<u>22,499</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>503,300</u>	<u>505,690</u>	<u>576,507</u>	<u>70,817</u>
<b>Other financing sources (uses)</b>				
Interest earnings	200	150	205	55
Operating transfers	(449,900)	(481,000)	(458,500)	22,500
<b>Total other financing sources (uses)</b>	<u>(449,700)</u>	<u>(480,850)</u>	<u>(458,295)</u>	<u>22,555</u>
<b>Net changes in fund balances</b>	53,600	24,840	118,212	93,372
<b>Fund balances - June 30, 2022</b>	<u>140,512</u>	<u>140,512</u>	<u>140,512</u>	<u>-</u>
<b>Fund balances - June 30, 2023</b>	<u>\$ 194,112</u>	<u>\$ 165,352</u>	<u>\$ 258,724</u>	<u>\$ 93,372</u>

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

Town of Haynesville  
Haynesville, Louisiana

Budgetary Comparison Schedule - Recreation District Wards 2 and 3  
For the Year Ended June 30, 2023

	Budget - Original	Budget - Final	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
Taxes:				
Ad valorem tax	\$ 182,500	\$ 192,500	\$ 193,677	\$ 1,177
Capital grant	-	-	5,000	5,000
Operating grant	-	5,000	-	(5,000)
Charges for services	3,600	3,900	4,604	704
Miscellaneous	2,400	-	-	-
<b>Total revenues</b>	<u>188,500</u>	<u>201,400</u>	<u>203,281</u>	<u>1,881</u>
<b>Expenditures</b>				
Current:				
Parks and recreation	111,488	128,200	125,225	2,975
Capital outlay	-	4,780	11,581	(6,801)
<b>Total expenditures</b>	<u>111,488</u>	<u>132,980</u>	<u>136,806</u>	<u>(3,826)</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>77,012</u>	<u>68,420</u>	<u>66,475</u>	<u>(1,945)</u>
<b>Other financing sources (uses)</b>				
Interest earnings	240	500	509	9
Operating transfers in	-	1,500	9,500	8,000
Operating transfers out	-	-	(3,215)	(3,215)
<b>Total other financing sources (uses)</b>	<u>240</u>	<u>2,000</u>	<u>6,794</u>	<u>4,794</u>
<b>Net changes in fund balances</b>	77,252	70,420	73,269	2,849
<b>Fund balances - June 30, 2022</b>	<u>10,470</u>	<u>10,470</u>	<u>10,470</u>	<u>-</u>
<b>Fund balances - June 30, 2023</b>	<u>\$ 87,722</u>	<u>\$ 80,890</u>	<u>\$ 83,739</u>	<u>\$ 2,849</u>

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

Town of Haynesville  
Haynesville, Louisiana

Schedule of Employer's Share of Net Pension Liability  
Municipal Employees Retirement System  
For the Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.204597 %	0.182070 %	0.203979 %	0.209757 %	0.201135 %	0.195965 %	0.182297 %	0.169975 %	0.161121 %
Employer's proportionate share of the net pension liability (asset)	\$ 849,739	\$ 506,428	\$ 881,885	\$ 876,503	\$ 832,835	\$ 819,804	\$ 747,183	\$ 607,177	\$ 413,508
Employer's covered employee payroll	\$ 388,884	\$ 390,683	\$ 389,870	\$ 388,298	\$ 367,216	\$ 355,884	\$ 299,143	\$ 290,104	\$ 284,699
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	218.51 %	129.63 %	226.20 %	225.73 %	226.80 %	230.36 %	249.77 %	209.30 %	145.24 %
Employer's proportion of the net pension liability (asset)	67.87 %	77.82 %	64.52 %	64.68 %	63.94 %	62.49 %	62.11 %	66.18 %	73.99 %

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

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

Town of Haynesville  
Haynesville, Louisiana

Schedule of Employer's Share of Net Pension Liability  
Municipal Police Employees Retirement System  
For the Year Ended June 30, 2023

	2023	2023	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.082470 %	0.080346 %	0.090124 %	0.083304 %	0.084043 %	0.076986 %	0.066098 %	0.053228 %	0.054959 %
Employer's proportionate share of the net pension liability (asset)	\$ 842,990	\$ 428,288	\$ 832,956	\$ 756,540	\$ 710,505	\$ 672,120	\$ 619,524	\$ 416,986	\$ 343,828
Employer's covered employee payroll	\$ 254,595	\$ 245,120	\$ 279,726	\$ 259,997	\$ 248,523	\$ 229,660	\$ 185,155	\$ 142,582	\$ 152,378
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	331.11 %	174.73 %	297.78 %	290.98 %	285.89 %	292.66 %	334.60 %	292.45 %	225.64 %
Employer's proportion of the net pension liability (asset)	70.80 %	84.09 %	70.94 %	71.01 %	71.89 %	70.08 %	66.04 %	70.73 %	75.10 %

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

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

Town of Haynesville  
Haynesville, Louisiana

Schedule of Employer Contributions  
Municipal Employees Retirement System  
For the Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 114,721	\$ 115,252	\$ 106,356	\$ 108,189	\$ 100,958	\$ 90,886	\$ 80,964	\$ 59,081	\$ 57,296
Contributions in relation to contractually required contribution	114,721	115,252	106,356	108,189	100,958	90,886	80,964	59,081	57,296
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-
Employer's covered payroll	\$ 388,884	\$ 390,683	\$ 360,528	\$ 389,870	\$ 388,298	\$ 367,216	\$ 355,884	\$ 299,142	\$ 290,104
Contributions as a percentage of covered employee payroll	29.50 %	29.50 %	29.50 %	27.75 %	26.00 %	24.75 %	22.75 %	19.75 %	19.75 %

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

Town of Haynesville  
Haynesville, Louisiana

Schedule of Employer Contributions  
Municipal Police Employees Retirement System  
For the Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 95,823	\$ 75,742	\$ 82,728	\$ 90,911	\$ 81,834	\$ 76,420	\$ 72,917	\$ 54,621	\$ 44,913
Contributions in relation to contractually required contribution	95,823	75,742	82,728	90,911	81,834	76,420	72,917	54,621	44,913
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-
Employer's covered payroll	\$ 306,634	\$ 254,595	\$ 245,120	\$ 279,726	\$ 259,997	\$ 248,523	\$ 229,660	\$ 185,155	\$ 142,582
Contributions as a percentage of covered employee payroll	31.25 %	29.75 %	33.75 %	32.50 %	31.47 %	30.75 %	31.75 %	29.50 %	31.50 %

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



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

Town of Haynesville  
Haynesville, Louisiana

We have audited, 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 Haynesville, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Haynesville's basic financial statements and have issued our report thereon dated December 22, 2023.

**Report on Internal Control Over Financial Reporting**

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Town of Haynesville's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Kenneth D. Folden & Co., CPAs, LLC*

Jonesboro, Louisiana  
December 22, 2023

# **SUPPLEMENTAL INFORMATION**

Town of Haynesville  
Haynesville, Louisiana

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2023

We have audited the basic financial statements of the Town of Haynesville as of and for the year ended June 30, 2023 and have issued our report thereon dated December 22, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2023 resulted in an unqualified opinion.

A. Summary of Auditor's Report

Report on Internal Control and Compliance Material to Financial Statements

Internal Control

Material Weakness       Yes     No      Significant Deficiencies       Yes     No

Compliance

Compliance Material to Financial Statements       Yes     No

B. Findings - Financial Statements Audit

Current Year

**No current year findings.**

Prior Year

**No prior year findings.**

Town of Haynesville  
Haynesville, LouisianaSchedule of Compensation Paid Councilpersons  
For the Year Ended June 30, 2023

	<b>2023</b>
Linda Beene-Holyfield	\$ 4,800
Matthew Faulkner	2,400
Dewatha Malone	4,800
Betty Richardson	4,800
Carla Smith	2,400
Mae K. Williams	2,400
Valinda Webb	2,400
	\$ 24,000

Town of Haynesville  
Haynesville, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head  
For the Year Ended June 30, 2023

Beverlee Killgore Mayor			Roderick Hampton Mayor		
Salary	\$	17,106	Salary	\$	16,448
Benefits - Retirement		5,046	Benefits - Retirement		7,484
Benefits - Insurance		1,705	Benefits - Insurance		3,114
Benefits - Medicare		248	Benefits - Medicare		239
Training & Conferences		-	Training & Conferences		1,116
Reimbursements		76	Reimbursements		-
	\$	<u>24,181</u>		\$	<u>28,401</u>

Town of Haynesville  
Haynesville, Louisiana

Justice System Funding Schedule - Collecting/Disbursing Entity  
For the year ended June 30, 2023

	First Six Month Period Ended 12/31/22	Second Six Month Period Ended 06/30/23
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ 925	\$ 1,851
Add: Collections (Please enter zeros if no activity within a certain collection type)		
Civil Fees (including refundable amounts such as garnishments or advance deposits)	-	-
Bond Fees	350	20
Asset Forfeiture/Sale	-	-
Pre-Trial Diversion Program Fees	-	-
Criminal Court Costs/Fees	14,179	14,031
Criminal Fines - Contempt	-	-
Criminal Fines - Other	63,790	68,120
Restitution	-	-
Probation/Parole/Supervision Fees	-	-
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	-	-
Interest Earnings on Collected Balances	-	-
Other (do not include collections that fit into more specific categories above)	-	-
Subtotal Collections	78,319	82,171
Less: Disbursements To Governments & Nonprofits: (Must include one agency name and one collection type on each line and may require multiple lines for the same agency if more than one collection type is applicable. Additional rows may be added as necessary.)		
Louisiana Commission on Law Enforcement	352	632
North Louisiana Crime Lab	5,580	6,480
Treasurer, State of LA CMIS	540	630
Louisiana Supreme Court	90	105
LDH THSCI Trust Fund	745	900
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection (enter zero if no activity to report here)	7	5
Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount (enter zero if no activity to report here)	-	-
Amounts "Self-Disbursed" to Collecting Agency (must include a separate line for each collection type, as applicable) - Example: Criminal Fines - Other (To be reported as a separate line per collection type under this heading, multiple rows may be needed)	-	-
Town of Haynesville - Magistrate Court Cost	5,940	5,910
Town of Haynesville - Bond Fees	350	20
Town of Haynesville - Fines	63,790	68,120

Town of Haynesville  
Haynesville, Louisiana

Justice System Funding Schedule - Collecting/Disbursing Entity  
For the year ended June 30, 2023

Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies  
(Please enter zeros if no activity within a certain line item)

Civil Fee Refunds	-	-
Bond Fee Refunds	-	-
Restitution Payments to Individuals (additional detail is not required)	-	-
Other Disbursements to Individuals (additional detail is not required)	-	-
Payments to 3rd Party Collection/Processing Agencies	-	-

Subtotal Disbursements/Retainage	77,393	82,802
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Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)

	\$ 1,851	\$ 1,220
--	----------	----------

Ending Balance of "Partial Payments" Collected but not Disbursed (only applies if collecting agency does not disburse partial payments until fully collected) - This balance is included in the Ending Balance of Amounts Collected but not Disbursed/Retained above.

	\$ -	\$ -
--	------	------

Other Information:

Ending Balance of Total Amounts Assessed but not yet Collected (i.e. receivable balance)

	\$ -	\$ -
--	------	------

Total Waivers During the Fiscal Period (i.e. non-cash reduction of receivable balances, such as time served or community service)

	\$ -	\$ -
--	------	------



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**Independent Accountant's Report on Applying Agreed-Upon Procedures**

To the Councilmembers of Town of Haynesville  
Haynesville, Louisiana  
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 01, 2022 through June 30, 2023. Town of Haynesville's management is responsible for those C/C areas identified in the SAUPs.

Town of Haynesville has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 01, 2022 through June 30, 2023. 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 and associated findings are as follows:

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

- 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.
- 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.
- vii. Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- 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).
- 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.
- x. Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- 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.
- 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.

Exception: The Town does not have a disaster recovery/business continuity policy or debt service policy. The Town's policy for payroll/personnel for the police department holiday pay does not follow the same guidelines as the general holiday pay policy. The police department was using the general policy instead of the department policy.

*Management's Response: The Town will adopt a disaster recovery/business continuity policy or debt service policy. The Town will follow the police department policy for holiday pay and will request that the Council amend the policy to follow the general policy for holiday pay.*

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

Response: Board met monthly with a quorum.

- 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, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. Alternately, for those entities reporting on the 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.

Response: Budget was only documented that it was discussed and approved once on June 15, 2023. Budget to actual comparison should be reviewed and approved monthly.

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.

Response: No negative unassigned fund balance.

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.

Response: No prior year audit findings.

Exception: See responses.

*Management's Response: Management will review budget-to-actual comparisons monthly and document the review in the meeting minutes.*

### **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:

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

Response: Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date.

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 (e.g., initialed and dated, electronically logged); and

Response: Bank reconciliations include initials of mayor, who does not handle cash, post ledgers, or issue checks.

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.

Response: Written documentation indicating outstanding items have been researched.

Exception: See responses.

*Management's Response: None.*

### **4) Collections**

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).

Response: Management provided listing and representation that is was complete.

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:

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

Response: Employees responsible for cash collections do not 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;

Response: The assistant clerk is responsible preparing and taking the deposit to the bank, and the town clerk is responsible for reconciling 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

Response: The assistant clerk is responsible for collecting cash/payments and the town clerk is responsible for reconciling ledger postings.

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

Response: The employee(s) responsible for reconciling cash collections to the general ledger and collecting cash has to have a board member or the mayor to verify the reconciliation.

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

Response: Employees who have access to the cash for the town and police department are covered under a bond policy.

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). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

i. Observe that receipts are sequentially pre-numbered.

Response: Twelve deposits used sequentially pre-numbered receipts, all other deposits did not use sequentially pre-numbered receipts.

ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Response: All receipts and collection documentation were traced to the deposit slip.

iii. Trace the deposit slip total to the actual deposit per the bank statement.

Response: All deposit slips were traced to the bank statement.

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).

Response: All deposits were made within one business day or one week of receipt.

v. Trace the actual deposit per the bank statement to the general ledger.

Response: All deposits were traced from the bank statement to the general ledger.

Exception: See responses.

*Management's Response: None.*

## **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).

B. For each location selected under procedure #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:

i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

Response: All employees can make a purchase request, but all major purchases are reviewed by Council.

ii. At least two employees are involved in processing and approving payments to vendors;

Response: Two signatures are required on all checks, the mayor's and either the Town Clerk or Assistant Clerk.

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;

Response: The clerk processing payments is prohibited from adding/modifying vendor files.

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

Response: Either the town clerk or assistant clerk mails payments and processed payments.

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.

Response: The town clerk, assistant clerk, or mayor approves the electronic disbursements of funds.

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:

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

Response: Three out of the disbursements selected for review did not include an invoice or supporting documentation.

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

Response: Six out the disbursements selected for review did not include written evidence of segregation of duties.

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.

Response: None.

Exception: See responses.

*Management's Response: None.*

## **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.

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

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) was reviewed and approved, in writing, (or electronically approved), by someone other than the authorized card holder.

Response: All credit card statements were reviewed and approved by someone other than the cardholder.

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

Response: No finance charges or late fees.

C. Using the monthly statements or combined statements selected under procedure #7b 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.

Response: One charge on one statement was not supported by an original itemized receipt.

Exception: See responses.

*Management's Response: None.*

## **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

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

Response: All reimbursements that were per diem were no more than the rates established by the State of Louisiana.

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

Response: None.

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 Policy and Procedures procedure #1a(vii); and

Response: All reimbursements were documented for business purposes.

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

Response: All reimbursements were reviewed and approved in writing by someone other than the person receiving the reimbursements.

Exception: See responses.

*Management's Response: None.*

## **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. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

Response: No new or amended contracts were entered into for the audit period.

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;

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);

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

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.

*Management's Response: None.*

## **9) Payroll and Personnel**

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

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

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

Response: All employees selected for review documented their daily attendance and leave.

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

Response: Two employees records of attendance/leave do not indicate approval 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

Response: None.

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

Response: One employee reviewed did not have a copy of the authorized salary/pay rate within their personnel file.

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 in 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.

Response: The authorized payments for the terminated employees agree with management's termination payment calculations and the Town's policy.

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.

Response: Management provided representation all third-party payroll related amounts have been paid and forms submitted.

Exception: See responses.

*Management's Response: None.*

## **10) Ethics**

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9a 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

Response: One employee out of 14 employees selected for review did not complete one hour of ethics training.

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.

Response: No change in the ethics policy.

B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Response: The mayor is the appointed ethics designee.

Exception: See responses.

*Management's Response: None.*

## **11) Debt Service**

A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

Response: No debt service.

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).

Response: None

*Management's Response: None.*

## **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.

Response: Management represented that there were no misappropriations of public funds during the fiscal period.

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.

Response: Fraud notice is posted on the premises.

*Management's Response: None.*

## **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."

Response: 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 testing/verifying backup restoration) 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.

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.

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.

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

## **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.

Response: One out of the five employees selected for review did not complete the required one hour of sexual harassment training.

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).

Response: Sexual Harrassment Policy is posted on the premises.

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:

Response: Entity completed the annual sexual harrassment report before February 1 and met the applicable requirements.

- i. Number and percentage of public servants in the agency who have completed the training requirements;
- ii. Number of sexual harassment complaints received by the agency;
- iii. Number of complaints which resulted in a finding that sexual harassment occurred;
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- v. Amount of time it took to resolve each complaint.

*Management's Response: None.*

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

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

This report is intended solely to describe the scope of testing performed on those 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.

*Kenneth D. Folden & Co., CPAs, LLC*

Jonesboro, Louisiana  
December 22, 2023



# TOWN OF HAYNESVILLE

1711 Main Street  
Haynesville, LA 71038

City Hall: 318-624-0911  
Fax: 318-624-1308  
haynesvillemayor@gmail.com

December 22, 2023

Kenneth D. Folden & Co., CPAs, LLC  
302 Eighth Street  
Jonesboro, Louisiana 71251

In connection with your engagement to apply agreed-upon procedures to certain control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures (SAUPs), for the fiscal period July 01, 2022 through June 30, 2023, we confirm to the best of our knowledge and belief, the following representations made to you during your engagement.

1. We acknowledge that we are responsible for the C/C areas identified in the SAUPs, including written policies and procedures; board or finance committee; bank reconciliations; collections; non-payroll disbursements; credit/debit/fuel/purchasing cards; travel and travel related expense reimbursement; contracts; payroll and personnel; ethics; debt service; and other areas (as applicable).

Yes  No
2. For the fiscal period July 01, 2022 through June 30, 2023, the C/C areas were administered in accordance with the best practice criteria presented in the SAUPs.

Yes  No
3. We are responsible for selecting the criteria and procedures and for determining that such criteria and procedures are appropriate for our purposes.

Yes  No
4. We have provided you with access to all records that we believe are relevant to the C/C areas and the agreed-upon procedures.

Yes  No
5. We have disclosed to you all known matters contradicting the results of the procedures performed in C/C areas.

Yes  No
6. We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others affecting the C/C areas, including communications received between June 30, 2023, and December 22, 2023.

Yes  No

7. We represent that the listing of bank accounts for the fiscal period that we provided to you is complete. We also represent that we have identified and disclosed to you our main operating account.
- Yes  No
8. We represent that the listing of deposit sites for the fiscal period that we provided to you is complete.
- Yes  No
9. We represent that the listing of collection locations for the fiscal period that we provided to you is complete.
- Yes  No
10. We represent that the listing of locations that process payments for the fiscal period that we provided to you is complete.
- Yes  No
11. We represent that the non-payroll disbursement transaction population for each location that processes payments for the fiscal period that we provided to you is complete.
- Yes  No
12. We represent that the listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards, that we provided to you is complete.
- Yes  No
13. We represent that the listing of all travel and travel-related expense reimbursements during the fiscal period that we provided to you is complete.
- Yes  No
14. We represent that the listing of all agreements/contracts (or active vendors) for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period that we provided to you is complete.
- Yes  No
15. We represent that the listing of employees/elected officials employed during the fiscal period that we provided to you is complete.
- Yes  No
16. We represent that the listing of employees/officials that received termination payments during the fiscal period that we provided to you is complete.
- Yes  No
17. We represent that the employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines during the fiscal period.
- Yes  No
18. We represent that the listing of bonds/notes issued during the fiscal period that we provided to you is complete.
- Yes  No

19. We represent that the listing of bonds/notes outstanding at the end of the fiscal period that we provided to you is complete.

Yes  No

20. We represent that the listing of misappropriations of public funds and assets during the fiscal period that we provided to you is complete.

Yes  No

21. We are not aware of any material misstatements in the C/C areas identified in the SAUPs.

Yes  No

22. We have disclosed to you any other matters as we have deemed appropriate.

Yes  No

23. We have responded fully to all inquiries made by you during the engagement.

Yes  No

24. We have disclosed to you all known events that have occurred subsequent to June 30, 2023, that would have a material effect on the C/C areas identified in the SAUPs, or would require adjustment to or modification of the results of the agreed-upon procedures.

Yes  No

**The previous responses have been made to the best of our belief and knowledge.**

Signature *Godena D. Aught* Date December 22, 2023

Title Mayor

Signature *Betty Richardson* Date December 22, 2023

Title Councilmember