

TOWN OF COUSHATTA, LOUISIANA
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

MARSHA O. MILLICAN
A PROFESSIONAL ACCOUNTING CORPORATION
SHREVEPORT, LOUISIANA

TOWN OF COUSHATTA, LOUISIANA

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Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT AUDITOR'S REPORT

To the Honorable Dr. Johnny Cox, Mayor
and Members of the Town Council
Town of Coushatta, Louisiana

Opinion

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Coushatta as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town of Coushatta's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Coushatta as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Coushatta'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

My 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 my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- 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 Coushatta'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Coushatta's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules, the schedule of proportionate share of net pension liability, and the schedule of contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Town of Coushatta's basic financial statements. The schedule of mayor and aldermen compensation, the schedule of compensation, benefits and other payments to agency head, and the justice system funding schedule – collecting/disbursements entity and nonmajor combining statements, and component unit financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare 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 my opinion, the other supplementary information is 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*, I have also issued my report dated May 19, 2022 on my consideration of Town of Coushatta's internal control over financial reporting and on my tests of its compliance with certain provisions of law, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, I have issued a report, dated May 19, 2022 on the results of my statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.



Certified Public Accountant
May 19, 2022

TOWN OF COUSHATTA, LOUISIANA

Management's Discussion and Analysis December 31, 2021

The Management's Discussion and Analysis of the Town of Coushatta's financial performance presents a narrative overview of the Town of Coushatta's financial activities for the year ended December 31, 2021. The document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the Town's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Governmental Activities

- 1) Town of Coushatta had cash and investments of \$1,767,281 at December 31, 2021, which represents an increase of \$436,569 from prior year end.
- 2) Town of Coushatta had accounts receivable of \$206,320 at December 31, 2021, which represents a decrease of \$47,065 from prior year end.
- 3) Town of Coushatta had accounts payable and accruals of \$42,010 at December 31, 2021, which represents an increase of \$24,885 from the prior year end.
- 4) Town of Coushatta had total revenues of \$1,933,494 for the year ended December 31, 2021, which represents an increase of \$620,354 from the prior year end.
- 5) Town of Coushatta had total expenses of \$1,338,273 for the year ended December 31, 2021, which represents an increase of \$81,119 from the prior year end.

Town of Coushatta had capital improvements of \$96,461 for the year ended December 31,

Business-Type Activities

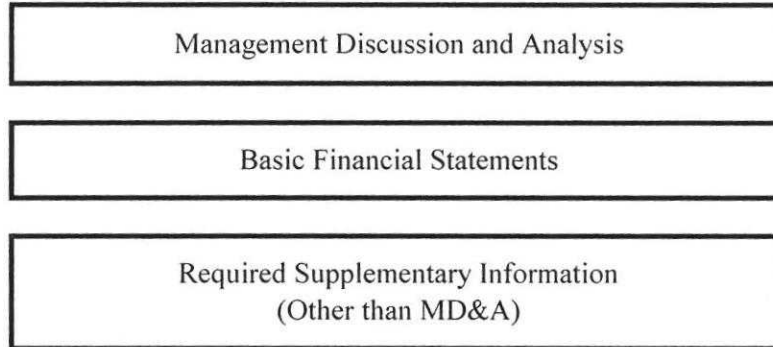
- 1) Town of Coushatta had cash and investments of \$886,370 for the year ended December 31, 2021 which represents an increase of \$363,171 from the prior year end.
- 2) Town of Coushatta had accounts receivable of \$319,742 for the year ended December 31, 2021, which represents an increase of \$245,760 from the prior year end.
- 3) Town of Coushatta had accounts payable and accruals of \$38,408 for the year ended December 31, 2021, which represents a decrease of \$7,307 from prior year.
- 4) Town of Coushatta had total revenues of \$956,705 for the year ended December 31, 2021, which represents an increase of \$7,834 from prior year.
- 5) Town of Coushatta had total expenses of \$1,170,068 for the year ended December 31, 2021, which represents an increase of \$282,931 from prior year.
- 6) Town of Coushatta had capital asset improvements of \$2,099,920 for the year ended December 31, 2021.

TOWN OF COUSHATTA, LOUISIANA

Management's Discussion and Analysis (Continued)
December 31, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for the Town of Coushatta as established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments*.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 9 and 10) provide information about the activities of the Town of Coushatta as a whole and present a longer-term view of the Town's finances. Fund financial statements start on page 11. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds.

Reporting the Town as a Whole

The Statement of Net Position and the Statement of Activities

One of the most important questions asked about the Town's finances is, "Is the Town as a whole, better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

TOWN OF COUSHATTA, LOUISIANA

Management's Discussion and Analysis (Continued)

December 31, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

These two statements report the Town's net position and changes in them. You can think of the Town's net position, the difference between assets and liabilities, as one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net position are one indicator of its financial health is improving or deteriorating.

In the Statement of Net Position and the Statement of Activities, we divide the Town into two kinds of activities:

Governmental Activities

Most of the Town's basic services are reported here including the police and general administration. Taxes, license and permits, fines, interest income and state and federal grants finance most of these activities.

Business-Type Activities

The Town charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Town's water and sewer systems are reported here.

Reporting the Town's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds, not the Town as a whole. Some funds are required to be established by State law and by bond covenants. However, the Town Council may establish other funds to help it control the money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. The Town's two kinds of funds, governmental and proprietary, use different accounting approaches.

Governmental Funds

Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short term view of the Town's general governmental operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's activities as well as what remains for future spending.

Proprietary Funds

When the Town charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and Statement of Activities. In fact, the Town's enterprise funds are the same as the business-type activities we reported in the government-wide statements but provide more detail and additional information, such as cash flows.

TOWN OF COUSHATTA, LOUISIANA

Management's Discussion and Analysis (Continued)

December 31, 2021

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Position at Year End

	Governmental Activities <u>2021</u>	Business Activities <u>2021</u>	Governmental Activities <u>2020</u>	Business Activities <u>2020</u>
Current and other assets	\$ 1,974,992	1,207,503	\$ 1,585,422	\$ 598,506
Capital assets, net	668,826	3,180,976	634,689	1,217,141
Total Assets	2,643,818	4,388,479	2,220,111	1,815,647
Deferred outflow of resources	87,500	48,641	173,714	83,617
Accounts Payable and Accruals	42,010	2,724,370	17,125	45,715
Net pension liability	431,467	252,619	766,962	381,266
Customer Deposits	-	64,230	-	60,697
Total Liabilities	473,477	3,041,219	784,087	487,678
Deferred inflows of resources	248,001	77,058	94,868	9,277
Net Position				
Investments in capital assets, Net of related debt	668,826	1,053,817	634,689	1,217,141
Restricted Net Position	1,009,241	-	1,001,400	-
Unrestricted	331,773	265,026	(121,219)	185,168
Total Net Position	\$ 2,009,840	\$ 1,318,843	\$ 1,514,870	\$ 1,402,309

Net position of the Town of Coushatta increased by \$494,970 and decreased by \$83,466 in the Governmental Activities and Business-Type Activities, respectively. These changes are the result of operating and other expenses being less than/exceeding operating and nonoperating revenues during the fiscal year ended 2021 (See table below).

Statement of Activities As of Year End

	Government <u>2021</u>	Business <u>2021</u>	Government <u>2020</u>	Business <u>2020</u>
General Government Expenses	\$ (1,338,273)	\$ (1,170,068)	\$ (1,257,154)	\$ (887,137)
Program revenues				
Charges for services	7,851	698,835	11,869	734,899
Operating and capital grants and Contributions	-	248,589	-	207,210
Subtotal	(1,330,422)	(222,644)	(1,245,285)	54,972
General revenues and transfers	1,907,026	27,898	1,288,939	19,094
Change in net position	\$ 576,604	\$ (194,746)	\$ 43,654	\$ 74,066

TOWN OF COUSHATTA, LOUISIANA

Management's Discussion and Analysis (Continued)
December 31, 2021

Capital Assets (Net) at Year End

	Governmental Activities	Business-Type Activities
	2021	2021
Land	\$ 54,000	\$ 51,180
Construction in Progress	-	2,103,902
Buildings and other improvements	349,065	-
Distribution system	-	996,089
Streets	110,815	-
Equipment and other assets	154,946	29,805
Total	<u>\$ 668,826</u>	<u>\$ 3,180,976</u>

Additions for the year ended December 31, 2021 are as follows:

This years major additions included:

	Governmental Activities	Business-Type Activities
	2021	2020
Distribution system	\$ -	\$ -
Equipment	96,461	6,800
Construction in Progres	-	2,093,120
Total	<u>\$ 96,461</u>	<u>\$ 2,099,920</u>

Debt

Town of Coushatta had long-term liabilities payable at year end as follows:

	Governmental Activities	Business-Type Activities
Pension Liability	\$ 431,467	\$ 252,619

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

General Fund actual revenues were \$110,286 more than budgeted amounts.

General Fund actual expenditures were \$62,112 less than budgeted amounts.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Town of Coushatta's elected officials considered the following factors and indicators when setting next year's budget, rates and fees. These factors and indicators include:

- 1) Taxes
- 2) Intergovernmental revenues (state and local grants)
- 3) License and permits
- 4) Fines

Town of Coushatta does not expect any significant changes in next year's results as compared to the current year.

CONTACTING TOWN OF COUSHATTA'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town of Coushatta's finances and to show the Town of Coushatta's accountability for the money it receives. If you have questions about this report or need additional information, contact Dr. Johnny Cox, Mayor of the Town of Coushatta, Post Office Box 531, Coushatta, Louisiana 71019.

TOWN OF COUSHATTA, LOUISIANA

Statement of Net Position
December 31, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<u>Assets</u>				
Current assets:				
Cash and cash equivalents	\$ 1,563,831	\$ 58,597	\$ 1,622,428	\$ 177,553
Investments, at cost	203,450	448,277	651,727	-
Receivables (net of allowance account)	206,320	319,742	526,062	-
Other assets	1,391	1,391	2,782	-
Total current assets	<u>1,974,992</u>	<u>828,007</u>	<u>2,802,999</u>	<u>177,553</u>
Noncurrent assets:				
Restricted assets:				
Cash and cash equivalents	-	379,496	379,496	-
Capital assets, net of accumulated depreciation	668,826	3,180,976	3,849,802	112,077
Total noncurrent assets	<u>668,826</u>	<u>3,560,472</u>	<u>4,229,298</u>	<u>112,077</u>
Total assets	<u>2,643,818</u>	<u>4,388,479</u>	<u>7,032,297</u>	<u>289,630</u>
Deferred Outflow of resources	<u>87,500</u>	<u>48,641</u>	<u>136,141</u>	<u>-</u>
<u>Liabilities</u>				
Current liabilities:				
Accounts payable	25,709	32,740	58,449	-
Construction payable	-	561,920	561,920	-
Payroll taxes payable	16,301	5,668	21,969	-
Bond acquisition note payable	-	2,124,042	2,124,042	-
Total current liabilities	<u>42,010</u>	<u>2,724,370</u>	<u>2,766,380</u>	<u>-</u>
Noncurrent liabilities:				
Net pension liability	431,467	252,619	684,086	-
Deposits	-	64,230	64,230	-
Total liabilities	<u>473,477</u>	<u>3,041,219</u>	<u>3,514,696</u>	<u>-</u>
Deferred inflows of resources	<u>248,001</u>	<u>77,058</u>	<u>325,059</u>	<u>-</u>
<u>Net Position</u>				
Invested in capital assets, net of related debt	668,826	1,053,817	1,722,643	112,077
Restricted	1,009,241	-	1,009,241	-
Unrestricted	331,773	265,026	596,799	177,553
Total net position	<u>\$ 2,009,840</u>	<u>\$ 1,318,843</u>	<u>\$ 3,328,683</u>	<u>\$ 289,630</u>

The notes to the financial statements are an integral part of this statement.

TOWN COUSHATTA, LOUISIANA

Balance Sheet
 Governmental Funds
 For the Year Ended December 31, 2021

	General	Sales Tax	Economic Development	NonMajor Funds	Total
ASSETS					
Cash	\$ 869,030	\$ 7,203	\$ 572,202	\$ 115,396	\$ 1,563,831
Investments	10,000	94,239	-	99,211	203,450
Receivables	85,330	-	81,243	39,747	206,320
Due from Other Funds	-	-	-	-	-
Prepaid Expenses	1,391	-	-	-	1,391
Total Assets	<u>965,751</u>	<u>101,442</u>	<u>653,445</u>	<u>254,354</u>	<u>1,974,992</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	25,709	-	-	-	25,709
Accrued Payroll Liabilities	16,301	-	-	-	16,301
Deferred Revenue	331,011	-	-	-	331,011
Due to Other Funds	-	-	-	-	-
Total Liabilities	<u>373,021</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>373,021</u>
Fund Balance:					
Nonspendable					
Prepaid Expenses	1,391	-	-	-	1,391
Assigned	-	101,442	653,445	254,354	1,009,241
Unassigned	<u>591,339</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>591,339</u>
Total Fund Balance	<u>592,730</u>	<u>101,442</u>	<u>653,445</u>	<u>254,354</u>	<u>1,601,971</u>
Total Liabilities and Fund Balances	<u>\$ 965,751</u>	<u>\$ 101,442</u>	<u>\$ 653,445</u>	<u>\$ 254,354</u>	<u>\$ 1,974,992</u>

The accompanying notes are an integral part of this statement.

TOWN OF COUSHATTA, LOUISIANA

Reconciliation of Fund Balances on the Balance Sheet
for Governmental Funds to Net Position of
Governmental Activities on the Statement of Net Position
Year Ended December 31, 2021

Fund Balances - Total Governmental Funds \$ 1,601,971

Amounts reported for governmental activities in the statement of net position
are different because:

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the funds:

Add: Capital Assets 3,208,530
Deduct: Accumulated Depreciation (2,539,704)

Certain liabilities, such as debt and pension liability are not due
and payable in the current period and therefore are not reported
in the funds.

Deduct: Long term debt
Pension liability (431,467)

Other long term assets are not available to pay for current period
expenditures and are deferred in the funds. 331,011

Deferred outflows of resources related to net pension liability
are not available resources and, therefore, are not reported in the funds. 87,500

Deferred inflows of resources related to net pension liability
are not payable from current expendable resources, and,
therefore, are not reported in the funds. (248,001)

Net Position of Governmental Activities \$ 2,009,840

The notes to the financial statements are an integral part of this statement.

TOWN OF COUSHATTA, LOUISIANA

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Governmental Funds
For the Year Ended December 31, 2021

	General Fund	Sales Tax	Economic Development	NonMajor Funds	Totals
<u>REVENUES</u>					
Taxes:					
Property	\$ 71,449	\$ -	\$ -	\$ 67,606	\$ 139,055
Sales	-	620,097	-	-	620,097
Franchise	122,604	-	-	-	122,604
Intergovernmental	389,594	-	-	-	389,594
Licenses and Permits	156,629	-	-	-	156,629
Charges for Services	-	-	-	-	-
Fines	7,851	-	-	-	7,851
Donations	-	-	-	5,000	5,000
Miscellaneous	144,711	240	2,981	304	148,236
Total Revenues	892,838	620,337	2,981	72,910	1,589,066
<u>EXPENDITURES</u>					
Current:					
General Government	779,508	10,923	-	-	790,431
Public Safety	634,719	-	-	14,325	649,044
Highways and Streets	-	-	-	7,315	7,315
Culture & Recreation	-	-	-	8,350	8,350
Debt Service	-	-	-	-	-
Total Expenditures	1,414,227	10,923	-	29,990	1,455,140
Excess (deficiency) of revenues over expenditures	(521,389)	609,414	2,981	42,920	133,926
<u>OTHER FINANCING SERVICES (USES)</u>					
Operating transfers in	628,857	-	-	1,303	630,160
Operating transfers out	-	(648,777)	-	-	(648,777)
Excess (deficiency) of revenues and other sources over expenditures and other uses	107,468	(39,363)	2,981	44,223	115,309
<u>FUND BALANCES</u>					
Beginning of year (restated Note 10)	485,262	140,805	650,464	210,131	1,486,662
End of year	\$ 592,730	\$ 101,442	\$ 653,445	\$ 254,354	\$ 1,601,971

The accompanying notes are an integral part of this statement.

TOWN OF COUSHATTA, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balance of Governmental Funds to the
Governmental Activities in the Statement of Activities
For the Year Ended December 31, 2021

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

Net Change in Fund Balances - Total Governmental Funds	\$ 115,309
Governmental Funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$96,461) exceeds depreciation (\$62,324)	
	34,137
Net effect of prior year deferred revenue	328,993
Effects of recording net pension liability and deferred inflows and outflows of resources related to net pension liability:	
Decrease in pension expense	82,730
Nonemployer pension contribution revenue	<u>15,435</u>
Change in Net Position of Governmental Activities	<u><u>\$ 576,604</u></u>

The accompanying notes are an integral part of this statement.

TOWN OF COUSHATTA, LOUISIANA

Statement of Net Position

Proprietary Fund

December 31, 2021

Assets

Current assets:

Cash and cash equivalents	\$ 58,597
Receivables	72,747
Grant Receivable	246,995
Prepaid expenses	1,391
Total current assets	<u>379,730</u>

Noncurrent assets:

Restricted assets:

Cash and cash equivalents	379,496
Investments	448,277
Property, plant and equipment (net)	3,180,976
Total noncurrent assets	<u>4,008,749</u>
Total assets	<u>4,388,479</u>

Deferred outflows of resources

48,641

Liabilities

Current liabilities (payable from current assets):

Accounts payable	32,740
Construction payable	561,920
Payroll taxes payable	5,668
Bond acquisition note payable	2,124,042
Total current liabilities (payable from current assets)	<u>2,724,370</u>

Current liabilities (payable from restricted assets):

Deposits	64,230
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Long term liabilities

Net pension liability	252,619
Total liabilities	<u>3,041,219</u>

Deferred inflows of resources

77,058

Net Position

Invested in capital assets, net of related debt	1,053,817
Unrestricted	265,026
Total net position	<u>\$ 1,318,843</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF COUSHATTA, LOUISIANA

Statement of Revenues, Expenses and
Changes in Fund Net Position
Proprietary Fund
For the Year Ended December 31, 2021

Operating revenues:	
Charges for services	\$ 698,835
Other	-
Total operating revenues	<u>698,835</u>
Operating expenses:	
Personal services	277,927
Repairs and maintenance	140,393
Supplies and materials	9,295
Depreciation	136,085
Insurance	12,501
Utilities	60,380
Other	533,487
Total operating expenses	<u>1,170,068</u>
Operating income	<u>(471,233)</u>
Non-operating revenues:	
Interest income	1,565
NEC income	6,777
Grants	359,869
Miscellaneous	939
Total non-operating revenues	<u>369,150</u>
Net income before contributions and transfers	(102,083)
Transfers:	
Transfers in	18,617
Transfers out	-
Change in net position	(83,466)
Total net position- beginning,	<u>1,402,309</u>
Total net position - ending	<u>\$ 1,318,843</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF COUSHATTA, LOUISIANA

Statement of Cash Flows
 Proprietary Fund
 For the Year Ended December 31, 2021

	Business-type Activities Enterprise Fund
	Water Fund
	<u> </u>
Cash Flows from Operating Activities:	
Receipts from customers and users	\$ 699,170
Payments to suppliers	<u>(747,971)</u>
Net Cash Used by Operating Activities	<u>(48,801)</u>
 Cash Flows from Noncapital Financing Activities:	
Transfers from other funds	<u>18,617</u>
Net Cash Provided by Noncapital Financing Activities	<u>18,617</u>
 Cash Flows from Investing Activities	
Change in investments	2,212
NEC revenue	6,777
Other	939
Interest Income	1,565
Acquisition and construction of capital assets	<u>(2,099,920)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(2,088,427)</u>
 Cash Flows from Financing Activities:	
Grant proceeds	359,869
Proceeds from borrowing	<u>2,124,042</u>
Net Cash Provided by Investing Activities	<u>2,483,911</u>
 Net Increase (Decrease) in Cash and Cash Equivalents:	365,300
 Cash and Cash Equivalents, Beginning of Year (including restricted cash of \$60,697)	<u>72,793</u>
 Cash and Cash Equivalents, End of Year (including restricted cash of \$379,496)	<u><u>\$ 438,093</u></u>

The notes to the financial statements are an integral part of this statement.

TOWN OF COUSHATTA, LOUISIANA

Statement of Cash Flows (Continued)
 Proprietary Fund
 For the Year Ended December 31, 2021

	Business-type Activities Enterprise Fund
	<u>Water Fund</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating Income	\$ (471,233)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation expense	136,085
Increase in customer deposits	3,420
Decrease in accounts receivable	1,235
Increase in grant receivable	(246,995)
Increase in prepaid expenses	(66)
Decrease in deferred outflows of resources	34,976
Decrease in accounts payable	(6,903)
Increase in construction payable	561,950
Decrease in payroll taxes payable	(404)
Decrease in net pension liability	(128,647)
Increase in deferred outflows of resources	67,781
	<hr/>
Total adjustments	422,432
	<hr/>
Net Cash Provided (Used) by Operating Activities	\$ (48,801)
	<hr/> <hr/>

The notes to the financial statements is an integral part of this statement.

TOWN OF COUSHATTA, LOUISIANA

Notes to the Financial Statements

December 31, 2021

Introduction:

The Town of Coushatta, Louisiana (Town) was incorporated in 1945 under the provisions of special home rule charter. The Town operates under a Mayor-Council form of government. Elected officials of the Town consist of the mayor and five (5) aldermen who are each elected to four-year terms. The affairs of the Town are conducted and managed by the Mayor and the Town Council.

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 the governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Town's reporting entity applies all relevant Government Accounting Standards Board (GASB) pronouncements. GAAP as applicable to governments also conforms to the requirements of Louisiana R.S. 24:517 and the guides set forth in 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.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under the provisions of this Statement, the Town is considered a primary government since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 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, or issue bonded debt.

1. Summary of Significant Accounting Policies:

The accounting and reporting framework and the more significant accounting policies of the Town are described as follows:

Reporting Entity -

In evaluating the Town as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the Town may be financially accountable and, as such, should be included within the Town's financial statements. The Town (primary government) is financially accountable if it appoints a voting majority of the organizations governing board and it is able to impose its will on the organization or there is a potential for the organization to provide specific financial burden on the Town. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Town has oversight of other component units that are discretely presented in a separate column in the government-wide financial statements.

TOWN OF COUSHATTA, LOUISIANA

Notes to the Financial Statements

December 31, 2021

1. ***Summary of Significant Accounting Policies (Continued):***

Reporting Entity - (Continued):

Discretely Presented Component Units

Coushatta Industrial Development Corporation

Coushatta Industrial Development Corporation is a component unit of Town of Coushatta. All members of the Corporation's board are appointed by the Mayor and Town Council of the Town of Coushatta.

Basis of Presentation

The accompanying basic financial statements of the Town have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Town's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Fund Accounting

The Town uses funds to maintain its financial records during the year. Each fund is accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. The individual funds account for the governmental resources allocated to them for the purpose of carrying on specific activities in accordance with laws, regulations, or other restrictions. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

The funds of the Town are classified into two categories: governmental and proprietary.

Governmental Funds:

Governmental funds account for all or most of the Town's general activities. These funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between the governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources, which may be used to finance future period programs or operations. The following are the Town's governmental funds:

General Fund - The General Fund is the primary operating fund of the Town. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.

TOWN OF COUSHATTA, LOUISIANA

Notes to the Financial Statements
December 31, 2021

1. *Summary of Significant Accounting Policies (Continued):*

Fund Accounting - (Continued):

Special Revenue Funds - The Special Revenue Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The Sales Tax Fund accounts for the collection of sales tax revenue. The Economic Development Fund accounts for revenue which can only be spent for economic development.

Capital Project Fund (LCDBG Fund) - The Capital Project Fund accounts for all financial resources for the acquisition or construction of projects primarily financed by a Community Development Block Grant.

Enterprise Funds:

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges or (b) where the governing body has decided 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. The Town's enterprise fund is:

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Government-Wide Financial Statements (GWFS)

The statement of net position and the statement of activities display information about the Town and its component unit. These statements include all the financial activities of the Town. Information contained in these statements reflects the "economic resources" measurement focus and the accrual basis of accounting. Governmental activities, which are normally supported by taxes and intergovernmental revenues are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. 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 non-

TOWN OF COUSHATTA, LOUISIANA

Notes to the Financial Statements

December 31, 2021

1. ***Summary of Significant Accounting Policies (Continued):***

Measurement Focus, Basis of Accounting and Financial Statement Presentation - (Continued)

exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment of the Town's activities is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. The town does not allocate indirect expenses to functions in the statement of activities. Program revenues reduce the cost of the function to be financed from the Town's general revenues. Program revenues included in the statement of activities are (1) derived directly from charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function, (2) operating grants and contributions, and (3) capital grants and contributions. For identifying to which function program revenue pertains, the determining factor for charges for services is which functions the revenues are restricted. Revenues not classified as program revenues are presented as general revenues, which include ad valorem taxes, sales taxes, franchise taxes, interest, and other items not properly included in program revenues.

Fund Financial Statements (FFS)

The fund financial statements report financial information by major and nonmajor funds. The emphasis of fund financial statements is on major governmental funds, each of which is displayed in a separate column. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least ten percent (10%) of the corresponding total for all funds of that category or type.
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least five percent (5%) of the corresponding total for all government and enterprise funds combined.
- c. The Town's management believes that the fund is particularly important to the financial statement users.

The Town considers the General Fund, the Sales Tax, the Economic Development, and the Water Fund to be "major funds".

TOWN OF COUSHATTA, LOUISIANA

Notes to the Financial Statements

December 31, 2021

1. Summary of Significant Accounting Policies (Continued):

Measurement Focus, Basis of Accounting and Financial Statement Presentation - (Continued)

Fund Financial Statements (FFS) (Continued)

Governmental Fund Financial Statements - The amounts reflected in the governmental fund financial statements are accounted for using the "current financial resources" measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. When the "current financial resources" measurement focus is used, amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure. Furthermore, long-term debts are excluded from amounts reported as liabilities. Proceeds from issuing long-term debt are reported as an other financing source and repayment of long-term debt is reported as expenditure. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the Town's operations.

The amounts reflected in the governmental fund financial statements use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined; and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Town considers all revenues available if they are collectible within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred.

The governmental funds use the following practices in recording revenues and expenditures:

Sales tax revenues are recorded in the period in which the underlying exchange has occurred.

Fines, forfeitures and fees are recognized in the period they are collected by the Town.

Interest earnings on deposits are recorded when credited to the town.

Ad valorem taxes are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 required the tax rolls be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are generally collected in December of the year assessed and January and February of the ensuing year.

Revenue from federal and state grants is recognized when all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when resources are required to be used or the year when use is first permitted; matching

TOWN OF COUSHATTA, LOUISIANA

Notes to the Financial Statements

December 31, 2021

1. *Summary of Significant Accounting Policies (Continued):*

Measurement Focus, Basis of Accounting and Financial Statement Presentation - (Continued)

Fund Financial Statements (FFS) (Continued)

requirements, in which the Town must provide local resources to be used for a specified purpose; and expenditure requirements, in which resources are provided to the Town on a reimbursement basis.

The revenues susceptible to accrual are sales taxes, property taxes, franchise taxes, grants and charges for services. Substantially all other revenues, including fines, permits, and license revenues are not susceptible to accrual because generally they are not measurable until received in cash.

Expenditures are generally recognized under the modified accrual basis when a liability is incurred.

Salaries and related benefits are recorded when employee services are provided to the Town.

Purchases of various operating supplies are recorded as expenditures in the accounting period in which they are purchased.

Commitments under construction contracts are recognized as expenditures when carried by the contractor.

Purchases of capital assets in the governmental funds are recorded as expenditures when purchased. Governmental fund capital assets are reported at cost, net of accumulated depreciation, only in the government-wide financial statements.

Transfers between funds that are not expected to be repaid, sales of assets, proceeds from the sale of bonds, capitalized leases, compensation for the loss of assets, and the proceeds from accrued interest on the sale of bonds are accounted for as other financing sources (uses) in the statement of revenues, expenditures, and changes in fund balance. These other financing sources (uses) are recognized at the time the underlying events occur.

Proprietary Fund Financial Statements - The financial statements of the proprietary fund are reported using the "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows.

TOWN OF COUSHATTA, LOUISIANA

Notes to the Financial Statements

December 31, 2021

1. *Summary of Significant Accounting Policies (Continued):*

The amounts reflected in the proprietary fund financial statements use the accrual basis of accounting. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Proprietary fund equity is classified as net assets.

Cash and Cash Equivalents and Investments

Cash and cash equivalents include cash on hand, amounts in demand deposits and short term, highly liquid investments with original maturities of 90 days or less when purchased. Investments are interest-bearing time deposits with original maturity dates in excess of 90 days when purchased. Investments are stated at cost, which approximates market value.

The Town's investments comply with Louisiana Statutes (I.S.A R.S. 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, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local Louisiana governments are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana which operates a local government investment pool.

Receivables

In the government-wide financial statement, receivables consist of all revenues earned at year-end and not yet received. Major receivables for the governmental activities include sewer fees, franchise taxes, sales and use taxes, interest, and property tax revenues. Receivables for the proprietary fund consist of charges for customer services and interest. The Town uses the allowance method to account for bad debts for property taxes and customer water service receivables. Under this method, an estimate is made of the expected bad debts included in the year-end receivables. The provision for bad debts is recorded as a current expenditure with a corresponding increase to the allowance for doubtful accounts. Accounts receivable are reported in the financial statements net of the allowance account. Subsequent charge-offs or recoveries of specific accounts respectively decrease or increase the allowance account.

Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond December 31, 2021 are recorded as prepaid expenses.

TOWN OF COUSHATTA, LOUISIANA

Notes to the Financial Statements
December 31, 2021

1. *Summary of Significant Accounting Policies (Continued):*

Interfund Balances (Due from/to Other Funds)

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and service type transactions are classified as "due to and due from other funds". These receivables and payables are classified as due from/to other funds in the fund financial statements.

Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the government-wide statement of net assets.

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.

Capital Assets

Capital assets which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, lighting, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair value at the date of donation. The Town maintains a threshold level of \$1,500 or more for capitalizing assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

In accordance with GASB Statement No. 34, because of the costs involved in retroactively capitalizing infrastructure, the Town has elected an exception for local governments with annual revenues of less than \$10 million and will prospectively capitalize infrastructure from the date of implementation of GASB Statement 34 forward and will not retroactively capitalize infrastructure. The Town does not capitalize historical treasures or works of art.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives depending upon the expected durability of the particular asset:

<u>Description</u>	<u>Estimated Lives</u>
Buildings	20-40 years
Equipment	5-20 years
Water improvements	40 years

TOWN OF COUSHATTA, LOUISIANA

Notes to the Financial Statements
December 31, 2021

1. *Summary of Significant Accounting Policies (Continued):*

Refundable Deposits

The Water Fund of the Town requires customers to place a deposit before service is rendered. These monies are considered restricted and are held until the customer discontinues service.

Deferred Revenues

Deferred revenues arise when potential revenues do not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when the Town receives resources before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria have been met or the Town has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Compensated Absences

The Town of Coushatta has the following policy relating to vacation and sick leave:

Vacation - Employees are entitled 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 lapse as of December 31 each year and do not accrue.

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

The cost of current leave privileges is recognized as current-year expenditure in the governmental funds, when leave is actually taken.

Restricted Assets

The Enterprise Fund restricts customer deposits. These amounts have been restricted by contractual agreement as security for services provided by the Town to the water customers. Upon termination of service, the town is required to refund the deposits to the customer.

Fund Equity

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

- a. Invested in capital assets, net of related debt - consist of capital assets including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

TOWN OF COUSHATTA, LOUISIANA

Notes to the Financial Statements

December 31, 2021

1. **Summary of Significant Accounting Policies (Continued):**

- b. Restricted net position - consists of net position with constraints placed on the use by external groups, such as creditors, grantors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - consists of all other assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

In the event that the Town, for the same function or purpose, receives restricted and unrestricted monies, the policy is to first apply restricted resources when an expenditure is incurred.

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as (1) nonspendable - amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact; (2) restricted - constraints have been placed on the use of the resources externally imposed by creditors, grantors, laws or regulations or imposed through constitutional provisions or legislation; (3) committed - used for specific purposes pursuant to constraints imposed by formal action of the Town's management including contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements; (4) assigned - amounts that are constrained by the Town's management to be used for a specific purpose but are neither restricted nor committed; (4) unassigned - the residual balance of the General Fund.

Statements of Cash Flows

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

Interfund Transactions

Quasi-external transactions, if any, are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions to expenditures in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as operating transfers.

Property Taxes

The Town levies taxes on real and business personal property located within its boundaries. Property taxes are levied by the Town on property values assessed by the Red River Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

TOWN OF COUSHATTA, LOUISIANA

Notes to the Financial Statements
December 31, 2021

1. Summary of Significant Accounting Policies (Continued):

Property taxes levied for the current year are recognized as revenues, even though a portion is collectible in the period subsequent to the levy, when levied in the government-wide financial statements and are recognized to the extent that they result in current financial resources in the fund financial statements.

Property Tax Calendar

Assessment date	January 1, 2021
Levy date	Not later than June 1, 2021
Tax bills mailed	November 15, 2021
Total taxes are due	December 31, 2021
Penalties and interest are added	January 1, 2022
Lien date	No set policy
Tax sale - delinquent property	No set policy

The Red River Parish Tax Assessor establishes assessed values each year on a uniform basis at the following ratios to fair market value:

10%	Land
10%	Residential Improvements
15%	Industrial Improvements
15%	Machinery
15%	Commercial Improvements
25%	Public Service Properties - excluding land

Estimates

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

Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Town carries commercial insurance for the risk of loss, including automobile liability, general liability, property damage, workers compensation, errors and omissions, and surety bonds. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

TOWN OF COUSHATTA, LOUISIANA

Notes to the Financial Statements
December 31, 2021

2. **Cash and Cash Equivalents and Investments:**

Cash and Cash Equivalents:

At December 31, 2021, the Town had cash and cash equivalents (book balances) totaling \$2,178,477 as

Cash on hand	\$ 600
Demand deposits	<u>2,178,877</u>
	<u>\$ 2,179,477</u>

Investments:

At December 31, 2021, the Town had investments (bank balances) totaling \$651,727 as follows:

Time deposits	<u>\$651,727</u>
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These deposits with financial institutions are stated at cost, which approximates market value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Town that the fiscal agent has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Town's name.

The cash equivalents and investments of the Town are subject to the following risks:

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Town will not be able to recover its deposits. At year end, the Town had bank balances of \$2,528,258 which were protected by \$1,154,292 of federal depository insurance and deposits of \$1,373,966 were secured by securities held in the Town's name.

Credit Risk: The Town's investments comply with Louisiana Statutes (LSA R.S. 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, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

TOWN OF COUSHATTA, LOUISIANA

Notes to the Financial Statements
December 31, 2021

3. **Property Taxes:**

For the year ended December 31, 2021, taxes of 12.16 mills were levied on property with assessed valuations totaling \$11,833,590 and were dedicated as follows:

General	7.02 mills
Recreation	3.08 mills
Street	1.03 mills
Fire	1.03 mills

Total taxes levied were \$143,898.

4. **Receivables:**

As of December 31, 2021, receivables consisted of the following:

	Government Fund	Utility Fund	Total
Property taxes	\$ 94,032	\$ -	\$ 94,032
Sales tax	-	-	-
Franchise taxes	31,045	-	31,045
Charges for services	-	72,747	72,747
Economic development	81,243	-	81,243
Grant receivable	-	246,995	246,995
Total	<u>\$ 206,320</u>	<u>\$ 319,742</u>	<u>\$ 526,062</u>

5. **Operating Transfers:**

In the ordinary course of business, the Town routinely transfers resources between its funds. Transfers are used to (1) move revenues from the fund required by statute or budget to collect them to the fund required by statute or budget to expend them, and (2) use unrestricted revenues to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Net Transfers	Amount
General Fund	\$ 628,857
Special Revenue fund	(648,777)
Proprietary Fund	18,617
Non Major Funds	<u>1,303</u>
Total	<u>\$ -</u>

TOWN OF COUSHATTA, LOUISIANA

Notes to the Financial Statements
December 31, 2021

6. *Capital Assets:*

Capital assets and depreciation activity as of and for the year ended December 31, 2020 for the Town is as follows:

	Balance January 1, 2021	Additions	Deletions	Balance December 31, 2021
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 54,000	\$ -	\$ -	\$ 54,000
Construction in Progress	-	-	-	-
Total capital assets not being depreciated	<u>54,000</u>	<u>-</u>	<u>-</u>	<u>54,000</u>
Capital assets being depreciated:				
Buildings and structures	952,366	-	-	952,366
Streets	1,332,521	-	-	1,332,521
Equipment	773,182	96,461	-	869,643
Total capital assets being depreciated	<u>3,058,069</u>	<u>96,461</u>	<u>-</u>	<u>3,154,530</u>
Less accumulated depreciation for:				
Buildings and structures	(581,337)	(21,964)	-	(603,301)
Streets	(1,207,521)	(14,185)	-	(1,221,706)
Equipment	(688,522)	(26,175)	-	(714,697)
Total accumulated depreciation	<u>(2,477,380)</u>	<u>(62,324)</u>	<u>-</u>	<u>(2,539,704)</u>
Total capital assets, net	<u>\$ 634,689</u>	<u>\$ 34,137</u>	<u>\$ -</u>	<u>\$ 668,826</u>

TOWN OF COUSHATTA, LOUISIANA

Notes to the Financial Statements
December 31, 2021

6. *Capital Assets (Continued):*

	Balance January 1, 2021	Additions	Deletions	Balance December 31, 2021
Business-type activities:				
Capital assets not being depreciated:				
Construction in Progress	\$ 10,782	\$ 2,093,120	\$ -	\$ 2,103,902
Land	51,180	-	-	51,180
Total capital assets not being depreciated	<u>61,962</u>	<u>2,093,120</u>	<u>-</u>	<u>2,155,082</u>
Capital assets being depreciated:				
Buildings and structures	70,207	-	-	70,207
Equipment	180,303	6,800	-	187,103
Water system	3,986,061	-	-	3,986,061
Total capital assets being depreciated	<u>4,236,571</u>	<u>6,800</u>	<u>-</u>	<u>4,243,371</u>
Less accumulated depreciation for:				
Buildings and structures	(70,207)	-	-	(70,207)
Equipment	(139,328)	(17,970)	-	(157,298)
Water system	(2,871,857)	(118,115)	-	(2,989,972)
Total accumulated depreciation	<u>(3,081,392)</u>	<u>(136,085)</u>	<u>-</u>	<u>(3,217,477)</u>
Total capital assets, net	<u>\$ 1,217,141</u>	<u>\$ 1,963,835</u>	<u>\$ -</u>	<u>\$ 3,180,976</u>
	Balance January 1, 2021	Additions	Deletions	Balance December 31, 2021
Component Unit:				
Capital assets not being depreciated:				
Land	\$ 112,077	\$ -	\$ -	\$ 112,077
Capital assets being depreciated				
Buildings and Improvements	280,525	-	-	280,525
Total capital assets being depreciated	<u>280,525</u>	<u>-</u>	<u>-</u>	<u>280,525</u>
Less: accumulated depreciation	<u>(280,525)</u>	<u>-</u>	<u>-</u>	<u>(280,525)</u>
Total capital assets, net	<u>\$ 112,077</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 112,077</u>

TOWN OF COUSHATTA, LOUISIANA

Notes to the Financial Statements
December 31, 2021

7. *Commitments and Contingencies:*

Lawsuits

There are no pending lawsuits against the Town at December 31, 2021.

Grant Audit

The Town participates in certain federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement that may arise as the result of these audits is not believed to be material.

8. *On-Behalf Payments:*

Police employees received a total of \$31,200 in police supplemental pay from the State of Louisiana. The Town is responsible for withholding taxes from these employees and paying the Town's matching portion of social security taxes for the amount of supplemental pay received. The Town must recognize this supplemental pay received by the employees as revenues and expenditures. The revenue is reported in the general fund under intergovernmental revenues and the expenditure is reported in law enforcement expenditures.

9. *Pension Plans:*

Municipal Employees Retirement System of Louisiana (MERS)

Plan Description

The Town contributes to MERS, Plan A, which is a cost-sharing, multiple employer defined benefit pension plan. MERS was originally established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana to provide retirement benefits to employees of all incorporated towns and cities within the state, which did not have their own retirement system and which elected to be members of MERS.

Act 569 of the year 1968 established by the Legislature of the State of Louisiana provides a method for municipalities to cancel Social Security and come under supplementary benefits in MERS, effective on or after June 30, 1970. Effective October 1, 1978, under Act 788, the "regular plan" and the "supplemental plan" were replaced, and are now known as Plan "A" and Plan "B", Plan A combines the original plan and the supplemental plan for those municipalities participating in both plans, while the Town participates in only the original plan.

Membership is mandatory as a condition of employment beginning on the date employed if the employees on a permanent basis working at least 35 hours per week. Individuals paid jointly by an employer and the parish are not eligible for membership in the System with exceptions as stated. MERS issues an annual publicly available financial report that includes financial statements and the required supplementary information for the System, which can be obtained at www.la.state.us.

TOWN OF COUSHATTA, LOUISIANA

Notes to the Financial Statements
December 31, 2021

9. *Pension Plans: (continued)*

Benefits Provided

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement

Any member of Plan A who was hired prior to January 1, 2014 can retire providing he/she meets one of the following criteria:

- | | |
|-------------|---|
| -At any age | after 25 years of creditable service |
| -At age 60 | after 10 years of creditable service |
| -At any age | after 20 years of creditable service, exclusive of military service with an actuarially reduced early benefit |

Any member of Plan B who was hired before January 1, 2014 can retire providing he/she meets one of the following criteria:

- | | |
|-------------|--------------------------------------|
| -At any age | after 30 years of creditable service |
| -At age 60 | after 10 years of creditable service |

Any member of Plan A who was hired on or after January 1, 2014 can retire providing he/she meets one of the following criteria:

- | | |
|-------------|--|
| -At age 67 | after 7 years of creditable service |
| -At age 62 | after 10 years of creditable service |
| -At age 55 | after 30 years of creditable service |
| -At any age | after 25 years of creditable service, exclusive of military service and unused side leave, with an actuarially reduced early benefit |

Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to three percent of the member's monthly average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

Generally, the monthly amount of the retirement allowance of any member of Plan B shall consist of an amount equal to two percent of the member's monthly average final compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

TOWN OF COUSHATTA, LOUISIANA

Notes to the Financial Statements

December 31, 2021

9. *Pension Plans: (continued)*

Deferred Retirement Option Plan (DROP)

In lieu of terminating employment and accepting a service retirement allowance, any member of Plan A or B who is eligible to retire may elect to participate in DROP in which they enroll for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employees contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund. Interest is earned when the member has completed DROP participation. Interest earnings based upon the actual rate of return on the investments identified as DROP funds for the period. In addition, no cost-of-living increases are payable to participants until employment which made them eligible to become members of the MERS has been terminated for at least one full year.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his/her option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the board of trustees. If a participant dies during participation in the DROP, a lump sum equal to the balance in his account shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the DROP fund cease and the person resumes active contributing membership in MERS.

Disability Benefits

For Plan A, a member shall be eligible to retire and receive a disability benefit if they have at least five years of creditable service, is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of forty-five percent of his/her final average compensation or three percent of the member's final average compensation multiplied by his/her years of creditable service, whichever is greater, or an amount equal to three percent of the member's final compensation multiplied by his/her years of creditable service projected to his earliest normal retirement age.

For Plan B, a member shall be eligible to retire and receive a disability benefit if they have at least ten years of creditable service: in which he/she would receive a regular retirement under retirement provisions. A member shall be eligible to retire and receive a disability benefit if he/she has at least ten years of creditable service, is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan B shall be paid a disability benefit equal to the lesser of thirty percent of his final average compensation or two percent of the member's final average compensation multiplied by his/her years of creditable service, whichever is greater, or an amount equal to two percent of the member's final average compensation multiplied by his/her years of creditable service, projected to his/her earliest normal retirement age.

TOWN OF COUSHATTA, LOUISIANA

Notes to the Financial Statements
December 31, 2021

9. *Pension Plans: (continued)*

Survivor's Benefits

Upon the death of any member of Plan A or Plan B with five (5) or more years of creditable service, not eligible for normal retirement, the plan provides for benefits for the surviving spouse and/or minor children, as outlined in the statutes.

Any member of Plan A or Plan B who is eligible for normal retirement at the time of death and who leaves a surviving spouse will be deemed to have retired and selected Option 2 benefits on behalf of the surviving spouse on the date of death. Such benefits will begin only upon proper application and are paid in lieu of any other survivor benefits.

Cost-of Living Increases

MERS is authorized under state law to grant a cost-of-living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from income in excess of normal requirements. State law allows MERS to grant an additional cost-of-living increase to all retirees and beneficiaries who are age sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or original benefit, if retirement commenced after that date.

Deferred Benefits

Plans A and B provide for deferred benefits for members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable. Benefits are based on statutes in effect at time of withdrawal.

Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending December 31, 2021, the actual employer contribution rate was 29.70% for Plan A and 15.50% for Plan B.

In accordance with state statute, MERS 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's contractually required composite contribution rate for the year ended December 31, was 27.70% of annual payroll, 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 Actuarial Accrued Liability. Contributions to the pension plan from the Town were \$90,268 for the year ended December 31, 2021.

TOWN OF COUSHATTA, LOUISIANA

Notes to the Financial Statements
December 31, 2020

9. *Pension Plans: (continued)*

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

At December 31, 2021, the Town reported a liability of \$428,375 for its proportionate share on Net Pension Liability. The Net Pension Liability was measured as of June 30, 2021, and the total pension liability used to calculate the Net Pension Liability was determined by an actual valuation as of that date. The Town's proportion of the Net Pension Liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the Town's proportion was 0.1454012% which was an increase of 0.00545% from its proportionate share measured as of June 30, 2020.

For the year ended December 31, 2021, the Town recognized pension expense of \$61,367.

At December 31, 2021, the Town 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	\$ 154	\$ 4,898
Changes in assumption	15,654	-
Net difference between projected and actual earnings on pension plan investments	-	120,698
Changes in employer's proportion of beginning net pension liability	21,802	-
Differences between employer contributions and proportionate share of employer contributions	-	5,078
Subsequent Measurement Contributions	44,874	-
Total	\$ 82,484	\$ 130,674

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$ (5,692)
2023	(15,397)
2024	(31,117)
2025	(40,857)
Total	\$ (93,064)

TOWN OF COUSHATTA, LOUISIANA

Notes to Financial Statements
December 31, 2021

9. Pension Plans: (continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2021 is as follows:

Valuation Date:	June 30, 2021
Actuarial Cost Method:	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives:	Plan A - 3 years; Plan B - 4 years
Investment Rate of Return:	6.85% net of investment expense
Mortality:	RP-2000 Employee Mortality Table was selected for active members. RP-2000 Healthy Annuitant Mortality Table was selected for Healthy annuitants. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.
	Experience study performed on plan data for the period July 1, 2006 through June 30, 2010.
Cost of Living Adjustments:	The present value of 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 authorized by the Board of Trustees.

The discount rate used to measure the total pension liability was 6.85% for Plans A and B. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by the Public Retirement Systems' Actuarial Committee, taking into consideration the recommendation of the actuary. Based on those assumptions, MERS's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF COUSHATTA, LOUISIANA

Notes to Financial Statements
December 31, 2021

9. *Pension Plans: (continued)*

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.60% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rates of return is 6.95% for the year ended June 30, 2021. 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, 2021 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Public Equity	53%	2.31%
Public Fixed Income	38%	1.65%
Alternatives	9%	0.39%
Total	100%	4.35%
Inflation		2.60%
Expected Arithmetic Nominal Return		6.95%

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

The following presents the Town's proportionate share of the Net Pension Liability using the discount rate of 6.85%, as well as what the Town'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:

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

The following presents the Town's proportionate share of the Net Pension Liability using the discount rate of 6.85%, as well as what the Town'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%).

	1.0% Decrease (5.85%)	Current Discount Rate (6.85%)	1.0% Increase (7.85%)
Employer's proportionate share of net pension liability	\$ 634,460	\$ 428,385	\$ 254,327

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Municipal Employee's Retirement System of Louisiana Financial Report www.la.state.la.us.

TOWN OF COUSHATTA, LOUISIANA

Notes to Financial Statements
December 31, 2021

9. *Pension Plans: (continued)*

Municipal Police Employees' Retirement System of Louisiana (LAMPERS)

Plan Description

The Town contributes to LAMPERS, which is a cost-sharing multiple employer defined benefit pension plan. LAMPERS was established by Act 189 of the 1973 regular session of the Legislature of the State of Louisiana to provide retirement, disability and survivor benefits to municipal police officers in Louisiana.

Benefit provisions are authorized within Act 189 of 1973 and amended by Louisiana Revised Statutes 11:2211 - 11:2233, which should be reviewed for more complete information

Membership is mandatory for any full-time police officer 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. LAMPERS issues an annual publicly available financial report that includes financial statements and required supplementary information for the System, which is available at www.lampers.com or www.la.state.la.us.

Benefits Provided

The following is a description of the plan and its benefits and is provided for general information purposes. Participants should refer to the appropriate statutes for more complete information.

Retirement

Any member prior to January 1, 2013 can retire provided he/she meets one of the following criteria:

At any age	after 25 years of creditable service
At age 55	after 12 years of creditable service
At age 50	after 20 years of creditable service
At any age	after 20 years of creditable service, with an actuarially reduced benefit

Any member after January 1, 2013, under Hazardous Duty sub-plan, can retire providing he/she meets one of the following criteria:

At any age	after 25 years of creditable service
At age 55	after 12 years of creditable service
At any age	after 20 years of creditable service, with an actuarially reduced benefit from age 55

TOWN OF COUSHATTA, LOUISIANA

Notes to Financial Statements
December 31, 2021

9. Pension Plans: (continued)

Any member after January 1, 2013, under Non- Hazardous Duty sub-plan, can retire providing he/she meets one of the following criteria:

At any age	after 30 years of creditable service
At age 60	after 10 years of creditable service
At age 55	after 25 years of creditable service
At any age	after 20 years of creditable service, with an actuarially reduced benefit from age 55

Benefit rates for membership prior to January 1, 2013, are three and one-third percent of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Benefit rates for membership after January 1, 2013, are based on Hazardous Duty and Non-Hazardous Duty sub plans. Under the Hazardous and Non Hazardous Duty sub plans, 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.

Deferred Retirement Option Plan (DROP)

A member is eligible to elect to enter DROP when he/she is eligible for regular retirement based on the member's sub plan participation. Upon filing the application for the program, the employee's active membership in the System is terminated. At the entry date into DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DROP is thirty-six months or less. If employment is terminated after the three-year period the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership into the System shall resume and upon later termination, he shall receive additional retirement benefits based on the additional service. For those eligible to enter DROP prior to January 1, 2004, DROP accounts shall earn interest subsequent to the termination of DROP participation at a rate of half of one percentage point below the percentage rate of return of the System's investment portfolio as certified by the actuary on an annual basis but will never lose money. For those eligible to enter Drop subsequent to January 1, 2004, an irrevocable election is made to earn interest based on the System's investment portfolio return or a money market investment return. This could result in a negative earnings rate being applied to the account. If the member elects a money market investment return, the funds are transferred to a government money market account.

TOWN OF COUSHATTA, LOUISIANA

Notes to Financial Statements
December 31, 2021

9. Pension Plans: (continued)

Disability Benefits

The Board of Trustees may award benefits to those eligible members who have been certified as disabled by the State Medical Disability Board. The application must be filed with the Board of Trustees through the office of the Director prior to the date of termination of employment. Please see specific procedures for disability retirement as described and provided for in R.S. 11:208. R.S. 11:216 through R.S. 11:224 and R.S. 11:2223.

Survivor's Benefits

Upon the death of an active contributing member (membership prior to January 1, 2013), or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from forty to sixty percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives benefits equal to ten percent of the member's average final compensation or \$200/month, whichever is greater.

Upon the death of an active contributing member (membership after January 1, 2013), or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from twenty-five to fifty-five percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives benefits equal to ten percent of the member's average final compensation or \$200/month, whichever is greater. If the deceased member had less than ten years of service, the beneficiary will receive a refund of employee contributions only.

Cost -of-Living Increases

The Board of Trustees is authorized to provide annual cost-of-living adjustments (COLA) computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility. No regular retiree, survivor or beneficiary shall be eligible to receive a cost-of-living adjustment until benefits have been received at least one full fiscal year and the payment of such COLA, when authorized, shall not be effective until the lapse of at least one-half of the fiscal year. Members who elect early retirement are not eligible for a COLA until they reach retirement age.

Initial Benefit Option Plan

In 1999, the State Legislature authorized the System to establish an Initial Benefit Option program. Initial Benefit Option is available to members who are eligible for regular retirement and have not participated in DROP. The Initial Benefit Option program provides both a one-time single sum payment of up to 36 months of regular monthly retirement benefits, plus a reduced monthly retirement benefit for life. Interest is computed on the balance based on the same criteria as DROP.

TOWN OF COUSHATTA, LOUISIANA

Notes to Financial Statements
December 31, 2021

9. Pension Plans: (continued)

Contributions

Contributions for all members are actuarially determined as required by state law but cannot be less than 9% of the employees' earnable compensation excluding overtime but including state supplemental pay.

For the year ended December 31, 2021, total contributions due from employers and employees were 33.75% and 10.00% respectively. The employer and employee contribution rates for all members hired prior to January 1, 2013 and Hazardous Duty members hires after January 1, 2013, were 33.75% and 8% respectively. The employer and employee contribution rates for all Non Hazardous Duty members hired after January 1, 2013 were 33.75% and 8% respectively. The employer and employee contribution rates for all members whose earnable compensation is less than or equal to the poverty guidelines issued by the United States Department of Health and Human Services were 36.25% and 7.5% respectively.

The System also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions are recognized as revenue, but are not considered special funding situations.

The Town's contractually required composite contribution rate for the year ended December 31, 2021 was 33.75% of annual payroll, 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 Actuarial Accrued Liability. Contributions to the pension plan from the Town were \$35,381 for the year ended December 31, 2021.

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

At December 31, 2021, the Town reported a liability of \$255,701 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2021 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Town's proportion of the Net Pension Liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the Town's proportion was 0.00479695, which was a decrease of .00677 from its proportion measured as of June 30, 2020.

At December 31, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TOWN OF COUSHATTA, LOUISIANA

Notes to Financial Statements
December 31, 2021

9. *Pension Plans: (continued)*

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 7,875
Changes in assumption	28,318	7,294
Net difference between projected and actual earnings on pension plan investments	-	119,392
Changes in employer's proportion of beginning net pension liability	8,136	59,755
Differences between employer contributions and proportionate share of employer contributions	332	69
Subsequent Measurement Contributions	16,872	-
Total	\$ 53,658	\$ 194,385

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$ (45,969)
2023	(33,307)
2024	(37,191)
2025	(41,133)
Total	\$ (157,600)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2021 is as follows:

Valuation Date: June 30, 2021
 Actuarial Cost Method: Entry Age Normal
 Actuarial Assumptions:
 Expected Remaining Service Lives: 4 years
 Investment Rate of Return: 6.750 net of investment expense

TOWN OF COUSHATTA, LOUISIANA

Notes to Financial Statements
December 31, 2021

9. *Pension Plans: (continued)*

Mortality: The mortality rate assumption used was based upon an experience study performed by the prior actuary on plan data for the period July 1, 2009 through June 30, 2014 and review of similar law enforcement mortality. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a set-back of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

Salary Increases, including inflation (2.5%) and merit pay

	Salary
<u>Years of Service</u>	<u>Growth Rate</u>
1-2	12.30%
Above 2	4.70%

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 contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by the Public Retirement Systems Actuarial Committee, taking into consideration the recommendation of the actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The forecasted long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. Best estimates of arithmetic nominal rates of return for each major asset class included in the System's target allocation as of June 30, 2021 are summarized in the following table:

TOWN OF COUSHATTA, LOUISIANA

Notes to Financial Statements

December 31, 2021

9. *Pension Plans: (continued)*

<u>Asset Class</u>	<u>Target Asst Allocation</u>	<u>Expected Portfolio Real Rate of Return</u>
Fixed Income	31%	3.91%
Equity	56%	0.59%
Alternatives	14%	1.01%
Other	0%	0.00%
Total	<u>101%</u>	<u>5.08%</u>
Inflation		<u>2.22%</u>
Expected Arithmetic Nominal Return		<u>7.30%</u>

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

The following presents the Town's proportionate share of the Net Pension Liability using the discount rate of 6.75%, as well as what the Town'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 (5.75)	Current Discount Rate (6.75%)	1.0% Increase (7.75%)
Employer's proportionate share of net pension liability	\$ 445,646	\$ 255,701	\$ 97,161

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Municipal Police Employees' Retirement System of Louisiana Annual Financial Report at www.lampers.org or on www.lla.state.la.us.

Payables to the Pension Plan

These financial statements include a payable to the pension plan of \$4,142 which is the legally required contributions due at December 31, 2021. This amount is recorded in accrued expenses.

TOWN OF COUSHATTA, LOUISIANA

Notes to Financial Statements
December 31, 2021

10. *Prior Period Adjustment*

Net assets in the governmental activities has been decreased by \$81,635 to correct accounts payable at January 1, 2021.

Net assets in the governmental funds has been decreased by \$59,822 to correct the following:

Decrease deferred revenue at January 1, 2021	\$21,813
Increase accounts payable at January 1, 2021	<u>-81,635</u>
Net prior period adjustment	<u>\$ 59,822</u>

11. *Water System Improvements*

In 2021, the Town began a Water Systems Improvement Project in the amount of \$4,174,000. The Project is to be completed in three separate phases as follows: Phase One - New Water Wells; Phase Two - Water Distribution Mains; Phase Three - Pump Station and Well Sites Improvements. The funding for Phase One was provided by a "Bond Anticipation Note" issued by a bank and the Louisiana Public Facilities Authority in the amount of \$2,505,000 at an interest rate of 3.850% due on January 30, 2022. The "Bond Anticipation Note" was paid on January 27, 2022 in the amount of \$2,402,667 including interest of \$26,802 with funds drawn from U.S. Department of Rural Development funding.

12. *Subsequent Events:*

Management has evaluated subsequent events through May 19, 2022, the date the financial statements were available to be issued, and determined no further disclosures are necessary.

TOWN OF COUSHATTA, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balance of
 Governmental Funds - Budget (GAAP) and Actual - General Fund
 For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 208,000	\$ 210,000	\$ 194,053	\$ (15,947)
Licenses & Permits	160,000	160,000	156,629	(3,371)
Intergovernmental	275,000	580,463	389,594	(190,869)
Fines	10,000	10,000	7,851	(2,149)
Miscellaneous	100,500	153,100	144,711	(8,389)
Total revenues	<u>753,500</u>	<u>1,113,563</u>	<u>892,838</u>	<u>(220,725)</u>
Expenditures:				
General government	638,300	887,738	779,508	108,230
Public Safety	811,800	588,600	634,719	(46,119)
Debt Service	-	-	-	-
Total Expenditures	<u>1,450,100</u>	<u>1,476,338</u>	<u>1,414,227</u>	<u>62,111</u>
Net Change in Fund Balances before Other Financing Sources	(696,600)	(362,775)	(521,389)	(158,614)
Other Financing Sources				-
Transfers from Other Funds	700,000	600,000	628,857	28,857
Transfers to Other Funds	-	-	-	-
Net Change in Fund Balance	3,400	237,225	107,468	(129,757)
Fund Balances, Beginning (Restated)	<u>485,262</u>	<u>485,262</u>	<u>485,262</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 488,662</u>	<u>\$ 722,487</u>	<u>\$ 592,730</u>	<u>\$ (129,757)</u>

TOWN OF COUSHATTA, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balance of
 Governmental Funds - Budget (GAAP Basis) and Actual - Sales Tax Fund
 For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 550,000	\$ 610,000	\$ 620,097	\$ 10,097
Licenses & Permits	-	-	-	-
Service Charges	-	-	-	-
Intergovernmental	-	-	-	-
Miscellaneous	100	100	240	140
Total revenues	<u>550,100</u>	<u>610,100</u>	<u>620,337</u>	<u>10,237</u>
Expenditures:				
General government	10,000	10,000	10,923	(923)
Sanitation	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>10,923</u>	<u>(923)</u>
Net Change in Fund Balances before Other Financing Sources	540,100	600,100	609,414	9,314
Other Financing Sources				
Proceeds from borrowing	-	-	-	-
Transfers from Other Funds	<u>(520,000)</u>	<u>(595,000)</u>	<u>(648,777)</u>	<u>(53,777)</u>
Net Change in Fund Balance	20,100	5,100	(39,363)	(44,463)
Fund Balances, Beginning	<u>140,805</u>	<u>140,805</u>	<u>140,805</u>	-
Fund Balances, Ending	<u>\$ 160,905</u>	<u>\$ 145,905</u>	<u>\$ 101,442</u>	<u>\$ (44,463)</u>

TOWN OF COUSHATTA, LOUISIANA

Statement of Revenues, Expenditure and Changes in Fund Balance of
 Governmental Funds - Budget (GAAP) and Actual -
 Economic Development Fund
 For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses & Permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines	-	-	-	-
Miscellaneous	3,000	2,500	2,981	481
Total revenues	<u>3,000</u>	<u>2,500</u>	<u>2,981</u>	<u>481</u>
Expenditures:				
General government	-	-	-	-
Public Safety	-	-	-	-
Debt Service	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances before Other Financing Sources	3,000	2,500	2,981	481
Other Financing Sources				
Transfers from Other Funds	-	-	-	-
Transfers to Other Funds	-	-	-	-
Net Change in Fund Balance	3,000	2,500	2,981	481
Fund Balances, Beginning	650,464	650,464	650,464	-
Fund Balances, Ending	<u>\$ 653,464</u>	<u>\$ 652,964</u>	<u>\$ 653,445</u>	<u>\$ 481</u>

TOWN OF COUSHATTA, LOUISIANA

Schedule of Employer's Share of Net Pension Liability
Municipal Employee's Retirement of Louisiana
Year Ended December 31, 2021

Year Ended Jun 30	Employer Proportion of the Net Pension Liability	Employer Proportionate Share of the Net Pension Liability (a)	Employer's Covered Employee Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Employee Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.148739%	\$ 516,578	\$ 246,822	209.29%	72.45%
2016	0.136886%	561,055	253,337	221.47%	62.11%
2017	0.150000%	607,157	259,486	233.98%	62.49%
2018	0.137710%	570,221	243,700	234.00%	63.94%
2019	0.142300%	594,644	270,410	220.00%	66.14%
2020	0.148560%	624,294	297,202	216.00%	64.52%
2021	0.154010%	428,385	305,994	140.00%	77.82%

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

TOWN OF COUSHATTA, LOUISIANA

Municipal Employee's Retirement of Louisiana
 Schedule of Employer Contributions
 Year Ended December 31, 2021

<u>Year Ended December 31</u>	<u>Contractually Required Contribution</u>	<u>Contribution in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
2015	\$ 48,747	\$ 48,747	\$ -	\$ 246,822	19.7500%
2016	54,001	54,001	-	253,337	21.32%
2017	61,596	61,596	-	259,486	23.74%
2018	63,163	63,163	-	243,684	25.92%
2019	53,154	53,154	-	270,410	19.66%
2020	66,570	66,570	-	297,202	22.39%
2021	90,268	90,268	-	305,994	29.50%

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

TOWN OF COUSHATTA, LOUISIANA

Note to Retirement System Schedules
Municipal Employees Retirement System of Louisiana
Year Ended December 31, 2021

Changes of benefit terms - There were no changes of benefit terms for the year ended December 31, 2021.

Changes of assumptions - There were no changes of benefit assumptions for the year ended December 31, 2021.

TOWN OF COUSHATTA, LOUISIANA

Schedule of Employer's Share of Net Pension Liability
Municipal Police Employees Retirement System of Louisiana
Year Ended December 31, 2021

Year Ended June 30	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset) (a)	Employer's Covered Employee Payroll (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.098669%	\$ 772,969	\$ 258,599	298.91%	99.90%
2016	0.941280%	882,246	268,267	328.87%	66.40%
2017	0.072775%	635,357	183,538	346.17%	70.08%
2018	0.061116%	517,042	147,896	286.04%	71.89%
2019	0.052770%	479,213	159,985	300.00%	71.00%
2020	0.054740%	505,934	180,488	280.00%	70.90%
2021	0.047970%	255,701	111,555	229.00%	84.10%

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

TOWN OF COUSHATTA, LOUISIANA

Municipal Police Employees Retirement System of Louisiana
 Schedule of Employer Contributions
 Year Ended December 31, 2021

<u>Year Ended December 31</u>	<u>Contractually Required Contribution</u>	<u>Contribution in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
2015	\$ 78,824	\$ 78,824	\$ -	\$ 258,599	30.48%
2016	82,206	82,206	-	268,267	30.64%
2017	55,050	55,050	-	183,538	29.99%
2018	57,432	57,432	-	147,896	38.87%
2019	51,795	51,795	-	159,985	32.38%
2020	59,802	59,802	-	180,488	33.13%
2021	49,391	49,391	-	111,555	44.28%

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

TOWN OF COUSHATTA, LOUISIANA

Municipal Police Employees Retirement System of Louisiana
Notes to Retirement System Schedules
Year Ended December 31, 2021

Changes of benefit terms - There were no changes of benefit terms for the year ended December 31, 2021.

Changes of assumptions - There were no changes of benefit assumptions for the year ended December 31, 2021.

TOWN OF COUSHATTA, LOUISIANA

JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/ DISBURSING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION

For the Year Ended December 31, 2021

	First Six Month Period Ended <u>December 31, 2021</u>	Second Six Month Period <u>December 31, 2021</u>
Cash Presentation		
Beginning Balance of Amounts Collected	\$ 60	\$ 202
Add: Collections		
Criminal Fines - Other	<u>5,074</u>	<u>5,763</u>
Subtotal Collections	<u>5,074</u>	<u>5,965</u>
Less: Disbursements to Governments & Nonprofits		
North Louisiana Crime Fund - Criminal Court Costs/Fees	860	650
Louisiana Supreme Court - Criminal Court Costs/Fees	17	14
State of Louisiana - CMIS Assessment	33	27
Louisiana Commission on Law Enforcement - Court Costs	255	312
Louisiana Chiefs Association of Police	66	54
Ware Youth Center	<u>247</u>	<u>203</u>
Total Disbursements to Governments & Nonprofits	1,478	1,260
Less: Amounts Retained by Collecting Agency	3,394	4,705
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies	-	-
Payments to 3rd Party Collection/Processing Agencies	<u>-</u>	<u>-</u>
Subtotal Disbursements/Retainage	<u>4,872</u>	<u>5,965</u>
Total Ending Balances Collect but not Disbursed (Cash on Hand)	<u>\$ 202</u>	<u>\$ -</u>

TOWN OF COUSHATTA, LOUISIANA

Schedule of Compensation Paid to Mayor and Town Council

For the Year Ended December 31, 2021

Honorable Dr. Johnny Cox, Mayor	\$ 34,000
Peter Drake	7,200
John D Henry, Jr.	7,200
Edna Webb	7,200
Reginald Prealow, Jr.	7,200
Janice Lewis	<u>7,200</u>
	<u>\$ 70,000</u>

TOWN OF COUSHATTA, LOUISIANA

Schedule of Compensation, Reimbursements, Benefits, and Other Payments
to Agency Head
For the Year Ended December 31, 2021

Agency Head: Honorable Dr. Johnny Cox, Mayor

Salary	<u>\$ 34,000</u>
Payroll Taxes	<u>\$ 2,601</u>
Insurance	<u>\$ -</u>
Reimbursements	<u>\$ -</u>
Retirement	<u>\$ -</u>

TOWN OF COUSHATTA, LOUISIANA
Combining Balance Sheet

NonMajor Governmental Funds- Special Revenue Funds
December 31, 2021

	Fire	Recreation	Streets	Total
Assets				
Cash	\$ 37,820	\$ 59,449	\$ 18,127	\$ 115,396
Investments	63,951	35,260	-	99,211
Taxes Receivable	7,965	23,817	7,965	39,747
Deposits	-	-	-	-
	<u>\$ 109,736</u>	<u>\$ 118,526</u>	<u>\$ 26,092</u>	<u>\$ 254,354</u>
Total Assets				
 Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Fund Balances				
Assigned	<u>109,736</u>	<u>118,526</u>	<u>26,092</u>	<u>254,354</u>
Total Fund Balances	<u>109,736</u>	<u>118,526</u>	<u>26,092</u>	<u>254,354</u>
 Total Liabilities and Fund Balances				
	<u>\$ 109,736</u>	<u>\$ 118,526</u>	<u>\$ 26,092</u>	<u>\$ 254,354</u>

TOWN OF COUSHATTA, LOUISIANA

Combining Statement of Program Revenues, Expenditures
and Changes in Fund Balances
Non-Major Special Revenue Funds
For the Year Ended December 31, 2021

	<u>Fire</u>	<u>Recreation</u>	<u>Streets</u>	<u>Totals</u>
<u>REVENUES</u>				
Revenues:				
Taxes	\$ 13,548	\$ 40,510	\$ 13,548	\$ 67,606
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Donations	-	5,000	-	5,000
Other revenues	257	47	-	304
	<u>13,805</u>	<u>45,557</u>	<u>13,548</u>	<u>72,910</u>
Total Revenues				
	<u>13,805</u>	<u>45,557</u>	<u>13,548</u>	<u>72,910</u>
<u>EXPENDITURES</u>				
Current:				
General government	-	-	-	-
Public Safety	14,325	-	-	14,325
Culture & Recreation	-	7,315	-	7,315
Streets	-	-	8,350	8,350
	<u>14,325</u>	<u>7,315</u>	<u>8,350</u>	<u>29,990</u>
Total Expenditures				
	<u>14,325</u>	<u>7,315</u>	<u>8,350</u>	<u>29,990</u>
Excess (deficiency) of revenues over expenditures)	(520)	38,242	5,198	42,920
<u>OTHER FINANCING SERVICES (USES)</u>				
Operating transfers in	12,332	-	-	12,332
Operating transfers out	-	(11,029)	-	(11,029)
	<u>12,332</u>	<u>(11,029)</u>	<u>-</u>	<u>1,303</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	11,812	27,213	5,198	44,223
<u>FUND BALANCES</u>				
Beginning of year	97,924	91,313	20,894	210,131
	<u>97,924</u>	<u>91,313</u>	<u>20,894</u>	<u>210,131</u>
End of year	<u>\$ 109,736</u>	<u>\$ 118,526</u>	<u>\$ 26,092</u>	<u>\$ 254,354</u>

TOWN OF COUSHATTA, LOUISIANA

Discretely Presented Component Unit -
Coushatta Industrial Development Corporation
Statement of Net Position
December 31, 2021

<u>Assets</u>	
Current assets:	
Cash	\$ 177,553
Receivables	-
Total current assets	<u>177,553</u>
Noncurrent assets:	
Property, plant and equipment (net of accumulated depreciation)	112,077
Total assets	<u><u>289,630</u></u>
 <u>Net Position</u>	
Invested in capital assets, net of related debt	112,077
Unrestricted	177,553
Total net position	<u><u>\$289,630</u></u>

TOWN OF COUSHATTA, LOUISIANA

Discretely Presented Component Unit -
Coushatta Industrial Development Corporation
Statement Activities
For the Year Ended December 31, 2021

Program Expenses	<u>\$ -</u>
General Revenues	
Rent	<u>9,000</u>
Change in Net Position	9,000
Net position, beginning of year	<u>280,630</u>
Net position, end of year	<u><u>\$289,630</u></u>



Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

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

The Honorable Dr. Johnny Cox, Mayor
and Members of the Town Council
Town of Coushatta, Louisiana

I 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, business-type activities, each major fund, and the remaining aggregate fund information of Town of Coushatta, Louisiana as of December 31, 2021, and related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued my report dated May 19, 2022.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Town of Coushatta's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, I do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. However, as described in the accompanying schedule of findings, I identified a certain deficiency in internal control that I consider to be a significant deficiency.

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 Town's financial statements will not be prevented, or detected on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. I consider the deficiency described in the accompanying schedule of findings to be a significant deficiency, and is described as Finding #2021-1.

As part of obtaining reasonable assurance about whether Town of Coushatta's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion.

Compliance and Other Matters

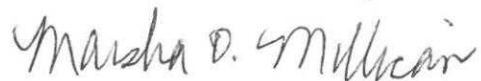
As part of obtaining reasonable assurance about whether Town of Coughatta's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is reported in the schedule of findings as Finding #2021-2.

Town of Coughatta's Response to the Findings

Town of Coughatta's response to the findings in my audit is described in the accompanying schedule of findings. Town of Coughatta's response was not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, I express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town'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's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountant
May 19, 2022

TOWN OF COUSHATTA, LOUISIANA

Corrective Action Taken on Prior Year Findings
Year Ended December 31, 2021

FINDING 2020-1: The segregation of duties is inadequate to provide effective internal control.

STATUS: No action was recommended and none was taken.

FINDING 2020-2: The Town is not in compliance with the state budget law.

STATUS: Unresolved.

TOWN OF COUSHATTA, LOUISIANA

Schedule of Findings

Year Ended December 31, 2021

Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on the financial statements.
2. One significant deficiency is reported in the 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*.
3. One instance of noncompliance material to the financial statements was disclosed during the audit.

FINDING #2021: The segregation of duties is inadequate to provide effective internal control.

Criteria: Effective internal control requires the segregation of duties.

Condition: The segregation of duties is inadequate to provide effective internal control. Employees perform interrelated duties.

Cause: The condition is due to economic and space limitations.

Effect: Unknown.

Recommendation: Whether or not it would be cost effective to correct a deficiency is not a factor in reporting requirements under accounting standards generally accepted in the United States of America. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all deficiencies reported under accounting standards generally accepted in the United States of America. In this case, both management and the auditor do not believe that correcting the condition described above is cost effective or practical, and, accordingly, do not believe that any corrective action is necessary.

Management's Response: We concur with the finding. We will make every effort to segregate duties as allowed by space and economic limitations.

TOWN OF COUSHATTA, LOUISIANA

Schedule of Findings (Continued)

Year Ended December 31, 2021

FINDING #2021-2: The Town is not in compliance with the state budget law.

Criteria: State law requires the budget to be amended whenever actual revenues fail to meet budgeted amounts by 5% or more or when actual expenditures exceed budgeted amounts by 5% or more.

Condition: Although the budgets were amended, actual revenue failed to meet budgeted amounts by more than 5% in the general fund and actual expenses exceeded budgeted amounts by more than 5% in the Sales Tax Fund.

Cause:
Unknown.

Effect:
The Town is not in compliance with the state budget law.

Recommendation:
I recommend the Town comply with the state budget law.

Management's Response and Corrective Action Plan:
We concur with the finding. We will comply with the state budget law in the future.



Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

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

The Honorable Dr. Johnny Cox, Mayor
and Members of the Town Council
Town of Coushatta, Louisiana

I have performed the procedures enumerated below, which were agreed to by the Mayor and the Board of Aldermen of the Town of Coushatta, Louisiana (the Town) to assist the Town in complying with the requirements of the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period ended December 31, 2021. I am required to perform each procedure and report the results, including any exceptions. The Town is responsible for internal controls and compliance with laws and regulations relative to the SAUP and for selecting the criteria and procedures and determining that such criteria and procedures are appropriate for their purposes.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*, issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving.

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

Conclusion:

Town of Coushatta's written policies and procedures were obtained and inspected. The policies and procedures address each of the required categories and subcategories except debt service; however, the Town complies with guidelines of the State Bond Commission before incurring debt.

Board or Finance Committee

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

Conclusion:

Town of Coushatta's board minutes for the fiscal period, as well as the board's enabling legislation were inspected.

- a) **The board met with a quorum at least monthly.**
- b) **The minutes reflected that financial statements were discussed. Budget to actual comparisons were made on a monthly basis, discussed and approved. Comparisons are found in the Council Minutes book on display at the Town Hall.**
- c) **The prior year audit report does not show a negative unrestricted fund balance in the general fund.**

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) 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);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Conclusion:

A complete listing of bank accounts was obtained from management with the main operating accounts identified. Those operating funds were General Fund, Water Department, Sales Tax Fund, Recreation Fund and Video Poker Account from the General Fund. Bank statements and reconciliations were inspected for the randomly chosen month of June.

- a) **All bank reconciliations include evidence that they were prepared within 2 months of the related closing date.**
- b) **Bank reconciliations include no evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged).**
- c) **Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date.**

Collections (excluding electronic funds transfers)

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

The only deposit site for Town of Coushatta is Town Hall at 1211 East Carroll Street, Coushatta, Louisiana.

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

The only collection site for Town of Coushatta is Town Hall at 1211 East Carroll Street, Coushatta, Louisiana.

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

Town of Coushatta accepts only checks, money orders, and electronic payments. Employees do not share cash drawers.

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

Employees who collect payments are not responsible for preparing and making bank deposits. The Town does not use pre-numbered receipts.

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

Employees who accept payments are not responsible for posting to general or subsidiary ledgers.

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

Employees responsible for reconciling collections to the general ledger and subsidiary ledgers are not responsible for collecting payments.

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

No employees were bonded in 2021.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (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:

Two deposit dates (6-2-2021 and 6-8-2021) were randomly chosen for each of the five bank accounts that were selected for procedure #3.

- a) Observe that receipts are sequentially pre-numbered.

Receipts are not sequentially numbered.

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

Deposit slip totals were traced to the actual deposits per the bank statement.

- d) 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).

Deposits were made within one business day of receipt.

- e) Trace the actual deposit per the bank statement to the general ledger.

Actual deposits per bank statement were traced to the general ledger.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

All accounting takes place at 1211 East Carroll Street, Coushatta, Louisiana.

9. For each location selected under #8 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, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

The Mayor and Town Clerk are both involved in the purchase process for all departments. The head of the water department is involved for purchases for the water department; and the Police Chief is involved for purchases for the police department.

- b) At least two employees are involved in processing and approving payments to vendors.

The Clerk, the Mayor and the Town Council are involved in approval of payments. Both the Mayor and Clerk sign checks for payments.

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

Both the Mayor and Clerk are involved in adding vendors and making payments.

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

All checks require two signatures, usually the Mayor and the Town Clerk. If one of them is unavailable a member of the Town Council signs. One of the clerks who does not process payments takes them to the post office.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.

All disbursements matched the original bill.

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic lobbying) of segregation of duties tested under #9, as applicable.

Although the disbursement documentation includes no evidence of segregation of duties as described above, the Mayor and Council approves paying of bills at Council Meetings. This is documented in the Minutes.

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

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

I obtained a list of all credit cards, including numbers and the persons who use them. Other than WEX fuel cards, there are only two merchant cards, usage of which is insignificant.

12. 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 on monthly bank statement), obtain supporting documentation, and:

- a) Observe that 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 received and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

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

13. Using the monthly statements or combined statements selected under #12 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 (i.e. each card should have 10 transactions subject to testing). 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 practitioners should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Fuel card statements reflect that charges are consistent, reasonable and properly documented.

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

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, 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:

No travel expense or reimbursements were recorded for the year.

- a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) 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 (procedure #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

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

A complete listing of contracts was examined along with the documentation contained in the Town's 2021 contract book.

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

All, if required, are in accordance with the Louisiana Public Bid Law.

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

Lawrason Act requirements were followed.

- c) 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 was approval documented).

Original contract terms were followed.

- d) 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.

All contract payments agreed to the contract terms.

16. Obtain a list 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 salaries and personnel files, and agree paid salaries to authorized salaries/ pay rates in the personnel files.

Employee listing is complete and agrees to authorized rates.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). [Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.

The month of October was randomly chosen. Attendance is documented for employees who are not elected officials.

- b) Observe that supervisors approved the attendance and leave of the selected employees of officials.

Department heads approved all leave time.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's accumulative leave records.

Leave taken was reflected in leave records.

- d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Rates paid to employees and elected officials agree to the authorized salary/pay rate found within the personnel files.

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

There were no terminations during the year.

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

Management affirms that all employee and employer payroll related amounts have been paid according to required deadlines. This is confirmed by payment records.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a) Observe that the documentation demonstrates each employee/official completed on hour of ethics training during the fiscal period.

Selected employees all completed ethics training.

- b) Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Documentation demonstrates that employees and officials have been notified of any changes in the Town's ethics policies.

Debt Service

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

Interim financing was borrowed in 2021 for water system improvements. Documentation was observed showing State Bond Commission's approval.

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

Only one note is outstanding at the end of 2021. There are no debt covenants.

Fraud Notice

23. Obtain a listing of misappropriation 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 to the district attorney of the parish in which the entity is domiciled.

No instances of misappropriations of public funds and assets occurred during the fiscal period.

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

Although the above mentioned notice is displayed on the entity's premises, it is not present on its website.

25. Perform the following procedures, **verbally discuss the results with management, and report, "We performed the procedure and discussed the results with management."**
- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
 - b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedures and discussed the results with management.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Selected employees all completed sexual harassment training.

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

Although the above mentioned notice is displayed on the entity's premises, it is not present on its website.

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

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

There were no instances of sexual harassment reported during the fiscal year.

Marsha D. Milligan

Certified Public Accountant
May 19, 2022