

TOWN OF LECOMPTE

***ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2020***



TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditors' Report.....	1 - 3
Independent Auditors' Report on Compliance and On Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	4 - 5
Required Supplemental Information (Part I) Management's Discussion and Analysis.....	6 - 9
Government-Wide Financial Statements	
Statement of Net Position.....	10
Statement of Activities	11 - 12
Fund Financial Statements	
Governmental Funds	
Balance Sheet.....	13
Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Position of Governmental Activities on the Statement of Net Position	14
Statement of Revenues, Expenditures and Changes in Fund Balance.....	15 - 16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities.....	17
Proprietary Funds	
Statement of Net Position	18
Statement of Revenues, Expenditures and Changes in Fund Net Position.....	19
Statement of Cash Flows.....	20 - 21
Notes to Financial Statements	22 - 38
Required Supplemental Information (Part II)	
Statement of Revenues, Expenditures and Changes in Fund Balances (Budget and Actual)	
General Fund	39 - 40
Dedicated 1% Sales Tax	41
Schedule of Net Pension Liability Data.....	42
Schedule of Employer Contributions.....	43
Other Supplemental Information	
Combining Balance Sheet – Non-Major Governmental Funds	44
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Non-Major Governmental Funds	45
Schedule of Per Diem Paid to Board Members	46
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer	47
Schedule of Findings	48
Management's Corrective Action Plan	49 - 50
Summary of Prior Year Findings.....	51 - 52



November 19, 2020

Independent Auditors' Report

To the Honorable Mayor and Board of Aldermen
Town of Lecompte, Louisiana

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Lecompte as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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



1407 Peterman Drive
Post Office Box 12178
Alexandria, Louisiana 71315

Voice: 318.442.1608
Fax: 318.487.2027
Online: CenlaCPAs.com

Town of Lecompte
November 19, 2020

OPINIONS

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of June 30, 2020 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the information listed below to supplement the basic financial statements.

- Management's Discussion and Analysis
- Budgetary Comparison Information
- Schedule of Net Pension Liability Data
- Schedule of Employer Contributions

Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Lecompte's basic financial statements. The other supplemental information listed below is presented for purposes of additional analysis and are not a required part of the basic financial statements.

- Combining Balance Sheet – Non-Major Governmental Funds
- Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Non-Major Governmental Funds
- Schedule of Per Diem Paid to Board Members
- Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer

The Other Supplemental 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. Such

Town of Lecompte
November 19, 2020

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 to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Other Supplemental Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARD

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2020 on our consideration of the Town of Lecompte's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Lecompte's internal control over financial reporting and compliance.



ROZIER, MCKAY & WILLIS
Certified Public Accountants



**Rozier McKay
& Willis** | CERTIFIED PUBLIC
ACCOUNTANTS

November 19, 2020

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*

To the Honorable Mayor
and the Board of Aldermen
Town of Lecompte, Louisiana

We were engaged to audit, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Lecompte, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Lecompte's basic financial statements, and have issued our report thereon dated November 19, 2020.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify one deficiency that we consider to be a significant deficiency (2020-5).

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Town of Lecompte's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed five instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2020-1, 2020-2, 2020-3, 2020-4, and 2020-6.



1407 Peterman Drive
Post Office Box 12178
Alexandria, Louisiana 71315

Voice: 318.442.1608
Fax: 318.487.2027
Online: CenlaCPAs.com

TOWN OF LECOMPTE'S RESPONSE TO FINDINGS

The Town of Lecompte's response to the findings identified in our audit is described in the accompanying managements' corrective action plan described in the table of contents. The response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

PURPOSE OF THIS REPORT

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



ROZIER, MCKAY & WILLIS
Certified Public Accountants

Town of Lecompte

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2020

This section of the Town of Lecompte's annual financial report presents our discussion and analysis of the Town's financial performance during the fiscal year ended June 30, 2020.

OVERVIEW OF FINANCIAL STATEMENTS

The basic financial statements include government-wide financial statements and fund financial statements. These two types of financial statements present the Town's financial position and results of operations from differing perspectives which are described as follows:

Government –Wide Financial Statements

The government-wide financial statements report information about the Town as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the Town's assets (including infrastructure acquired after July 1, 1980) and all of the Town's liabilities (including long-term debt).

The government-wide financial statements are divided into two categories, which are described as follows:

- **Governmental Activities** – Expenses incurred in connection with providing basic services including public safety, culture, recreation, public works and general administration are reported as governmental activities. The governmental activities are financed by taxes, license and permit fees, fines and forfeitures, and intergovernmental sources.
- **Business-Type Activities** – Expenses associated with providing utility and sanitation services are recovered through fees paid by the customers that utilize these services. These activities are operated in a manner similar to commercial enterprises. Accordingly, activities associated with these services are reported as business type activities.

Fund Financial Statements

Fund financial statements provide detailed information regarding the Town's most significant activities and are not intended to provide information for the Town as a whole. Funds are accounting devices that are used to account for specific sources of funds. The Town has two types of funds that are described as follows:

- **Governmental Funds** – These funds are used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental fund uses a modified accrual basis of accounting that provides a short-term view of the Town's finances. Assets reported by governmental funds are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.
- **Proprietary Fund** – These funds are used to account for activities that function in a manner similar to commercial enterprises, including activities associated with the Town's utility services. Proprietary fund financial statements typically provide a more detailed presentation of the information reported in the business-type activities portion of the government-wide financial statements.

Town of Lecompte

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2020

Financial Analysis of the Town as a Whole

A comparative analysis of government-wide financial data is presented as follows:

Net Position

A condensed version of the government-wide Statement of Net Position is presented as follows:

	<u>For the Year Ended June 30, 2020</u>			<u>For the Year Ended June 30, 2019</u>
	<u>Govern- mental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>	
<u>Assets:</u>				
Current and Other Assets	\$ 412,843	\$ 334,955	\$ 747,798	\$ 475,762
Internal Balances	(283,506)	283,506	----	----
Capital Assets	1,522,367	3,354,237	4,876,604	4,926,001
Total Assets	1,651,704	3,972,698	5,624,402	5,401,763
Deferred Outflow of Resources	85,329	----	85,329	84,140
<u>Liabilities:</u>				
Current and Other Liabilities	480,996	6,158	487,154	305,372
Long-term Liabilities	303,946	732,210	1,036,156	1,099,083
Total Liabilities	784,942	738,368	1,523,310	1,404,455
Deferred Inflow of Resources	113,464	----	113,464	126,834
<u>Net Position:</u>				
Invested in Capital Assets (Net)	1,430,630	2,622,027	4,052,657	4,065,123
Restricted	69,553	612,303	681,856	599,850
Unrestricted	(661,556)	----	(661,556)	(710,359)
Total Net Position	\$ 838,627	\$ 3,234,330	\$ 4,072,957	\$ 3,954,614

As the presentation appearing above demonstrates, the majority of the Town's net position is invested in capital assets. Net position invested in capital assets consists of land, buildings, equipment, and infrastructure less any debt used to acquire the assets that remain outstanding. The Town uses these capital assets to provide services to its citizens; consequently, these amounts are not available for future spending.

The Town's remaining net position is composed of restricted assets. These assets are unavailable for general expenses, as they must be used for their intended purposes.

Recognizing long-term liabilities associated with providing retirement benefits to the Town's employees has eliminated the Towns' remaining unrestricted net position. Despite the absence of unrestricted net position, the Town has sufficient resources to meet these obligations for the foreseeable future.

Town of Lecompte

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2020

Changes in Net Position

A condensed version of the government-wide Statement of Changes in Net Position is presented as follows:

	For the Year Ended June 30, 2020			For the Year Ended June 30, 2019
	Governmental Activities	Business-Type Activities	Total	
<u>Revenues:</u>				
Program Revenue:				
Charges for Services	\$ 555,567	\$ 218,570	\$ 774,137	\$ 382,780
Operating Grants and Contributions	7,000	----	7,000	14,500
Capital Grants and Contributions	----	----	----	----
General Revenue:				
Property Taxes	35,940	----	35,940	35,436
Sales Taxes	507,244	----	507,244	483,466
Franchise Fees	64,069	----	64,069	70,002
Occupational Licenses	67,494	----	67,494	73,398
Intergovernmental	----	----	----	----
Other	20,494	51	20,545	22,080
Total Revenue	1,257,808	218,621	1,476,429	1,081,662
<u>Program Expenses:</u>				
General Government	303,096	----	303,096	328,046
Sanitation	85,069	----	85,069	95,508
Public Safety	436,644	----	436,644	350,083
Public Works	233,765	----	233,765	222,460
Culture and Recreation	90,681	----	90,681	92,135
Utility Service	----	189,293	189,293	214,013
Other	3,818	15,720	19,538	20,944
Total Expenses	1,153,073	205,013	1,358,086	1,323,189
Increase in Net Position Before				
Transfers	104,735	13,608	118,343	(241,527)
Special Items	----	----	----	(385,423)
Transfers	----	----	----	----
Changes in Net Position	104,735	13,608	118,343	(626,950)
Net Position Beginning – As Originally Reported	733,892	3,220,722	3,954,614	4,623,250
Prior Period Adjustment	----	----	----	(41,686)
Net Position Beginning	733,892	3,220,722	3,954,614	4,581,564
Net Position Ending	838,627	3,234,330	4,072,957	3,954,614

Governmental activities increased the Town's net position by \$104,735. The increase is mainly attributable to an increase in reimbursements from the Rapides Parish Police Jury for maintaining streets and roadways within the Town's limits.

Town of Leconte

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2020

Business-type activities increased the Town's net position by \$13,608. The increase is attributable to efficient utilization of the Town's resources.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

An analysis of significant matters affecting the Town's funds is presented as follows:

- The Town's governmental funds reported a combined fund deficit of \$351,658 which represents an increase of \$50,356 in comparison to the previous balance. The increase is primarily due to an increase in reimbursements from the Rapides Parish Police Jury for maintaining streets and roadways, but is offset by an increase in payroll related expenditures.
- The Town's general fund, which is available for spending at the Town's discretion, reported a fund balance of \$(319,456). The general fund balance decreased by \$18,222 due to an increase in expenditures across several departments.
- Amounts reported for business-type activities in the Town's individual funds are identical to the business-type activities reported in the government-wide presentation.

GENERAL FUND BUDGET HIGHLIGHTS

The Town's general fund and sales tax funds are required to adopt an annual budget and the budgets are amended as necessary. Some revisions to the original budgets were made to address revenues and related expenditures that were not anticipated when the original budget was prepared.

CAPITAL ASSET ADMINISTRATION

Capital Asset activity in the current year was limited to the purchase of some new equipment for the street department,

DEBT ADMINISTRATION

The Town continued payments on the Town's Series 2010 bonds, the Town's Sewer Revenue Bonds, and made the final payment on a municipal lease.

FACTORS EXPECTED TO AFFECT FUTURE OPERATIONS

At the present time, no events or conditions have been identified that are expected to have a significant influence on future operations.

Town of Lecompte

STATEMENT OF NET POSITION

June 30, 2020

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 343,980	\$ -	\$ 343,980
Receivables (net)	68,863	36,279	105,142
Restricted asset			
Cash	-	298,676	298,676
Internal balances	(283,506)	283,506	-
Capital assets			
Depreciable capital assets, net	<u>1,522,367</u>	<u>3,354,237</u>	<u>4,876,604</u>
Total assets	<u>1,651,704</u>	<u>3,972,698</u>	<u>5,624,402</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension funding deferrals	<u>85,329</u>	<u>-</u>	<u>85,329</u>
<u>LIABILITIES</u>			
Accounts and other payables	480,996	6,158	487,154
Accrued interest	-	-	-
Long-term liabilities			
Net Pension Liability	197,277	-	197,277
Long-term Debt			
Compensated Absences	14,932	-	14,932
Due within one year	9,604	14,219	23,823
Due in more than one year	<u>82,133</u>	<u>717,991</u>	<u>800,124</u>
Total liabilities	<u>784,942</u>	<u>738,368</u>	<u>1,523,310</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension funding deferrals	<u>113,464</u>	<u>-</u>	<u>113,464</u>
<u>NET POSITION</u>			
Invested in capital assets, net of related debt	1,430,630	2,622,027	4,052,657
Restricted:			
Sewer System Operations	-	612,303	612,303
Other purposes	69,553	-	69,553
Unrestricted	<u>(661,556)</u>	<u>-</u>	<u>(661,556)</u>
Total net position	<u>\$ 838,627</u>	<u>\$ 3,234,330</u>	<u>\$ 4,072,957</u>

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

Town of Lecompte

STATEMENT OF ACTIVITIES

Year Ended June 30, 2020

	Expenses	Program Revenues			Net (Expenses) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	
<u>Governmental Activities:</u>					
General Government	\$ 303,096	\$ 2,313	\$ -	\$ -	\$ (300,783)
Sanitation	85,069	61,543	-	-	(23,526)
Public Safety	436,644	181,501	7,000	-	(248,143)
Public Works	233,765	310,210	-	-	76,445
Culture & Recreation	90,681	-	-	-	(90,681)
Other Expenditures	-	-	-	-	-
Interest on Long-Term Debt	3,818	-	-	-	(3,818)
Total Governmental Activities	<u>1,153,073</u>	<u>555,567</u>	<u>7,000</u>	<u>-</u>	<u>(590,506)</u>
<u>Business-Type Activities:</u>					
Sewer Sytem	189,293	218,570	-	-	29,277
Interest On Long-Term Debt	15,720	-	-	-	(15,720)
Total Business-Type Activities	<u>205,013</u>	<u>218,570</u>	<u>-</u>	<u>-</u>	<u>13,557</u>
Total	<u>\$ 1,358,086</u>	<u>\$ 774,137</u>	<u>\$ 7,000</u>	<u>\$ -</u>	<u>\$ (576,949)</u>

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

Town of Lecompte

STATEMENT OF ACTIVITIES (Continued)

Year Ended June 30, 2020

	Governmental Activities	Business- Type Activities	Total
Net (Expense) Revenue (Continued From Previous Page)	\$ (590,506)	\$ 13,557	\$ (576,949)
General Revenues:			
Taxes:			
Ad Valorem	35,940	-	35,940
Sales	507,244	-	507,244
Licenses & Permits			
Franchise Fees	64,069	-	64,069
Occupational Licenses	67,494	-	67,494
Other	20,494	51	20,545
Special Items	-	-	-
Transfers	-	-	-
Total General Revenues, Special Items and Transfers	<u>695,241</u>	<u>51</u>	<u>695,292</u>
Change in Net Position	104,735	13,608	118,343
Net Position Beginning	<u>733,892</u>	<u>3,220,722</u>	<u>3,954,614</u>
Net Position Ending	<u>\$ 838,627</u>	<u>\$ 3,234,330</u>	<u>\$ 4,072,957</u>

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

Town of Lecompte

Balance Sheet Governmental Funds - June 30, 2020

	General	One Cent	Other	Total
	Fund	Sales Tax	Governmental	Governmental
			Funds	Funds
Assets				
Cash and Cash Equivalents	\$ 235,983	\$ 67,350	\$ 40,647	\$ 343,980
Receivables (net)	46,569	14,864	7,430	68,863
Interfund Receivables	175,538	-	48,617	224,155
Total assets	\$ 458,090	\$ 82,214	\$ 96,694	\$ 636,998
Liabilities and Fund Balance				
Liabilities				
Accounts Payable	464,869	7,512	8,615	480,996
Interfund Payables	312,677	129,103	65,880	507,660
Total liabilities	777,546	136,615	74,495	988,656
Fund Balance				
Restricted For:				
Other Special Purposes	-	(54,401)	22,199	(32,202)
Unassigned	(319,456)	-	-	(319,456)
Total Fund Balances	(319,456)	(54,401)	22,199	(351,658)
Total Liabilities and Fund Balance	\$ 458,090	\$ 82,214	\$ 96,694	\$ 636,998

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

Town of Lecompte

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 June 30, 2020

Total Fund Balances - Governmental Funds	\$ (351,658)
Amounts reported for governmental activities in the statement of net position are different because:	
Liabilities not due and payable in the current period are excluded from the Governmental Fund Balance Sheet	(303,946)
Deferred inflows of resources that do not meet criteria for inclusion in the Governmental Fund Balance Sheet	(113,464)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,522,367
Deferred outflows of resources that do not meet criteria for inclusion in the Governmental Fund Balance Sheet	<u>85,328</u>
Net Position of Governmental Activities	<u>\$ 838,627</u>

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

Town of Lecompte

Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds - Year Ended June 30, 2020

	General Fund	One Cent Sales Tax	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>				
Taxes:				
Ad Valorem	\$ 35,940	\$ -	\$ -	\$ 35,940
Sales	265,588	161,398	80,258	507,244
Licenses & Permits:				
Franchise Fees	64,069	-	-	64,069
Occupational Licenses	67,494	-	-	67,494
Intergovernmental	319,523	12,880	-	332,403
Sanitation	61,543	-	-	61,543
Fines and Forfeitures	181,501	-	-	181,501
Operating Grants	-	-	-	-
Other	3,110	-	4,504	7,614
Total Revenues	998,768	174,278	84,762	1,257,808
<u>Expenditures:</u>				
Current:				
General Government				
General and Administrative	294,247	-	-	294,247
Sanitation	-	85,069	-	85,069
Public Safety	453,678	18,594	-	472,272
Public Works				
Street Maintenance	146,044	-	-	146,044
Recreation Department	17,224	-	64,862	82,086
Other Expenditures	-	-	9,055	9,055
Capital Expenditures	91,287	-	-	91,287
Debt Service	14,512	-	12,880	27,392
Total Expenditures	1,016,992	103,663	86,797	1,207,452
Excess (Deficiency) of Revenues Over Expenditures	(18,224)	70,615	(2,035)	50,356

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

Town of Lecompte

Continued

Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds - Year Ended June 30, 2020

	General Fund	One Cent Sales Tax	Other Governmental Funds	Total Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	(18,224)	70,615	(2,035)	50,356
<u>Other Financing Sources (Uses):</u>				
Proceeds From Long-Term Debt	-	-	-	-
Operating Transfers In	-	-	12,914	12,914
Operating Transfers Out	-	(12,914)	-	(12,914)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>(18,224)</u>	<u>57,701</u>	<u>10,879</u>	<u>50,356</u>
Fund Balance (Deficit) Beginning	<u>(301,232)</u>	<u>(112,102)</u>	<u>11,320</u>	<u>(402,014)</u>
Fund Balance (Deficit) - End of Year	<u>\$ (319,456)</u>	<u>\$ (54,401)</u>	<u>\$ 22,199</u>	<u>\$ (351,658)</u>

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

Town of Lecompte

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities

Year Ended June 30, 2020

Net change in fund balances of Governmental Funds	\$ 50,356
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over estimated useful lives and reported as depreciation expense. The effect of capital expenditures, depreciation, and loss on disposals are presented as follows:	
Capital Expenditures	91,287
Depreciation	(101,040)
Loss on disposals	-
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures by governmental funds.	31,368
Governmental funds report pension expense based on contributions required for the current year; however, pension expense reported on the government wide basis is influenced by actuarial considerations.	9,752
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	<u>23,012</u>
Change in net position of governmental activities	<u>\$ 104,735</u>

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

Town of Lecompte

Statement of Net Position

Proprietary Funds - June 30, 2020

	<u>Sewer System</u>
<u>ASSETS:</u>	
Current Assets:	
Receivables (net)	\$ 36,279
Interfund receivables	<u>283,506</u>
Total current assets	319,785
Restricted Assets:	
Cash and cash equivalents	298,676
Noncurrent Assets:	
Construction in process	-
Depreciable capital assets, net	<u>3,354,237</u>
Total assets	<u>3,972,698</u>
 <u>LIABILITIES:</u>	
Current Liabilities:	
Accounts and other payables	6,158
Current portion of long-term debt	14,219
Noncurrent Liabilities:	
Long-term debt	<u>717,991</u>
Total liabilities	<u>738,368</u>
 <u>NET POSITION:</u>	
Invested in capital assets, net of related debt	2,622,027
Restricted for Sewer Operations	<u>612,303</u>
Total net position	<u>\$ 3,234,330</u>

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

Town of Lecompte

Statement of Revenues, Expenses and Changes in Fund Net Position Proprietary Funds - June 30, 2020

	Sewer System
<u>Operating Revenues:</u>	
Service Fees	218,570
Other Income	\$ -
Total Operating Revenues	<u>218,570</u>
<u>Operating Expenses:</u>	
Legal and Professional	7,486
Outside Services	3,631
Repairs & Maintenance	87,860
Supplies & Chemicals	8,036
Utilities	42,635
Depreciation	39,645
Total Operating Expenses	<u>189,293</u>
Operating Income (Loss)	29,277
<u>Nonoperating Revenues (Expenses):</u>	
Interest Revenue	51
Interest Expense	<u>(15,720)</u>
Change in Net Position Before Contributions and Transfers	13,608
<u>Contributions and Transfers:</u>	
Operating Transfers In	<u>-</u>
Change in Net Position	13,608
Total Net Position Beginning	<u>3,220,722</u>
Total Net Position - Ending	<u>\$ 3,234,330</u>

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

Town of Lecompte

Statement of Cash Flows

Proprietary Funds - Year Ended June 30, 2020

	<u>Sewer System</u>
<u>Cash flow from operating activities:</u>	
Cash received from customers	\$ 215,437
Cash payments to suppliers of goods and services	(149,598)
Cash payments to employees for services	<u>-</u>
Net cash provided (used) by operating activities	<u>65,839</u>
<u>Cash flows from non-capital financing activities:</u>	
Change in interfund balances	(28,479)
Transfers	<u>-</u>
Net cash provided (used) by non-capital financing activities	<u>(28,479)</u>
<u>Cash flows from capital and related financing activities:</u>	
Capital expenditures	-
Principle paid on revenue bonds	(13,918)
Interest paid on debt instruments	<u>(15,720)</u>
Net cash provided (used) by capital and related financing activities	<u>(29,638)</u>
<u>Cash flows from investing activities:</u>	
Interest and other income	<u>51</u>
Net cash provided (used) by investing activities	<u>51</u>
Net increase (decrease) in cash	7,773
Beginning cash balance	<u>290,903</u>
Ending cash balance	298,676
Restricted cash and cash equivalents	<u>298,676</u>
Cash and cash equivalents	<u>\$ -</u>

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

Town of Lecompte

Statement of Cash Flows (Continued)

Proprietary Funds - Year Ended June 30, 2020

	<u>Sewer System</u>
<u>Reconciliation of operating income (loss)</u>	
<u>to net cash provided (used) by operating</u>	
<u>activities</u>	
Operating income (loss)	\$ 29,277
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	39,645
(Increase) decrease in accounts receivable	(3,133)
(Decrease) increase in accounts and other payables	<u>50</u>
Net cash provided (used) by operating activities	<u>\$ 65,839</u>

Supplemental disclosures of cash flow information:

During the year ended June 30, 2020 there were no operating, financing, or investing activities that did not result in cash receipts.

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

Town of Lecompte

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Lecompte was incorporated under the provisions of the Lawrason Act. The Town is governed by a Mayor and a Board of Alderman consisting of five (5) members. Services provided by the Town include police protection, fire protection, street maintenance, recreation and sanitation. The Town also operates a sewer system.

The accompanying policies conform to generally accepted accounting principles for governmental units.

Financial Reporting Entity

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

Governmental Accounting Standards establish criteria for determining which component units should be considered part of the Town of Lecompte for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. The criteria include:

1. Appointing a voting majority of an organization's governing body, and
 - a) The ability of the Town to impose its will on that organization and/or
 - b) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Town.
2. Organizations for which the Town does not appoint a voting majority but are fiscally dependent on the Town.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the criteria presented above, the Town has no component units.

Basic Financial Statements

The basic financial statements include both government-wide and fund financial statements. Both government-wide and fund financial statements categorize activities as either governmental activities or business-type activities, which are described as follows:

- Governmental activities involve government services that are normally supported by taxes and intergovernmental revenues.
- Business-type activities rely on fees and charges for support and operate in a manner similar to private sector enterprises.

TOWN OF LECOMPTTE

Summary of Findings

June 30, 2020

The government-wide and fund financial statements present the Town's financial position and results of operations from differing perspectives which are described as follows:

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Town as a whole. The effect of most interfund activity is eliminated from these financial statements. Furthermore, government-wide financial statements exclude fiduciary activities which are reported in the fund financial statements.

Program revenues reported in the Statement of Activities consist of amounts that are directly associated with a governmental service or business-type activity. Program revenues include charges for services, fines, court cost, contributions associated with a particular function and most grants.

Fund Financial Statements

Funds are separate accounting entities that are designed to assist with demonstrating legal compliance and segregating transactions by activity. Separate financial statements are provided for governmental funds and business-type (enterprise) funds. In addition, separate financial statements are presented for any fiduciary activities. Major individual funds are reported as separate columns in the fund financial statements. The Town's major funds are described as follows:

Major Governmental Funds

General Fund – The general fund is the primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

One Cent Sales Tax Fund – The One Cent Sales Tax is a special revenue fund designed to receive a portion of sales tax in order to fund the expenses of the fire department and pay for garbage disposal.

Major Business-Type Funds

Sewer Maintenance Fund – The Sewer Maintenance Fund is used to account for the operation of the Town's sewer system, which is supported by user charges.

Business-Type funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services in connection with the funds ongoing operations. Principal operating revenues are charges to customers for sewer service and sanitation.

Basis of Accounting and Measurement Focus

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The basis of accounting and measurement focus used for various financial statement presentations are described as follows:

<u>Financial Statement Presentation</u>	<u>Basis of Accounting</u>	<u>Measurement Focus</u>
Government-Wide Financial Statements	Accrual Basis	Economic Resources
Fund Financial Statements:		
Governmental Funds	Modified Accrual Basis	Current Financial Resources
Proprietary Funds	Accrual Basis	Economic Resources
Fiduciary Funds	Accrual Basis	No Measurement Focus

TOWN OF LECOMPTTE

Summary of Findings

June 30, 2020

Under the accrual basis of accounting and the economic resources measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred.

Under the modified accrual basis of accounting and the current financial resources measurement focus revenue is recognized when it is considered measurable and available. Revenue is considered available if it is collected within 60 days of year end. In addition, expenses are generally recorded when a liability has been incurred; however, debt service, compensated absences, claims and judgments are recorded as expenses when payment is made. Furthermore, 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 of funds. In addition, 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 an expenditure of funds.

Use of Estimates

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

Restricted Assets

Restricted assets represent resources that must be expended in a specific manner. Restrictions of this nature are imposed by various contractual obligations including grant agreements and bond covenants. Whenever restricted assets can be used to satisfy an obligation, the restricted assets are typically consumed before utilizing any unrestricted resources.

Budget Practices

Budgets including any amendments are prepared in the manner prescribed by Louisiana revised statutes. Town budgets present revenue and expenditures on a basis which is consistent with generally accepted accounting principles. Budgets are adopted annually for the general fund and each special revenue fund. The remaining funds are not required to adopt budgets.

Capital Assets

Capital assets, which include property, equipment, and infrastructure, are reported as assets in the applicable governmental or business-type columns in the government-wide financial statements and in the fund financial statements for proprietary funds. Assets reported in the fund financial statements for governmental funds exclude capital assets. Instead, the governmental funds report the acquisition of capital assets as expenditures rather than asset acquisitions.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value when received by the Town.

Capital assets are depreciated using the straight-line method and estimated useful lives ranging from 3 to 50 years. Useful lives are selected depending on the expected durability of the particular asset.

Cash and Cash Equivalents

Amounts reported as cash and cash equivalents (restricted and unrestricted) include all cash on hand, cash in bank accounts, certificates of deposit and highly liquid investments. Credit risk associated with bank deposits is limited by requiring fiscal agent banks to pledge securities as required by State Law. Furthermore, interest

TOWN OF LECOMPTTE

Summary of Findings

June 30, 2020

rate risk associated with certificates of deposits is typically mitigated by purchasing instruments that mature in one year or less.

Internal Activity

Resources belonging to particular funds are commonly shared with other funds that need access to additional resources. When resources are provided without expectation of repayment, the transaction is reported as a transfer. Transfers are treated as a source of income by the recipient and as an expense or expenditure by the provider. If repayment is eventually expected to occur, interfund receivables and payables are recorded.

In preparing the government-wide financial statements, transfers are eliminated to present net transfers for governmental activities and business-type activities. In addition, interfund receivables and payables are eliminated to present a net internal balance for each type of activity.

Compensated Absences

Full time and regular part-time employees earn vacation at rates that vary depending on length of service. Unused vacation that employees are allowed to carry forward is reported as a liability. The portion of the liability for compensated absences attributable to governmental funds and activities is typically liquidated by the general fund.

Fund Balance Classification

Approval of the majority of the Board of Aldermen is required to approve the commitment of fund balances. In situations where it is permissible to spend restricted or committed resources, the Town typically depletes the available restricted or committed resources before consuming unrestricted resources.

NOTE 2 - ACCOUNTS RECEIVABLE

Accounts receivable for the year ended June 30, 2020 are summarized as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Accounts Receivable</u>			
Charges for Services	\$ 10,467	\$ 36,279	\$ 46,746
Franchise Taxes	11,788	----	11,788
Other	----	----	----
<u>Total Accounts Receivable</u>	<u>22,255</u>	<u>36,279</u>	<u>58,534</u>
<u>Due From Other Governmental Units</u>			
Grant Reimbursements	----	----	----
Sales Taxes and OLT	46,608	----	46,608
<u>Total Due From Other Governments</u>	<u>46,608</u>	<u>----</u>	<u>46,608</u>
Total Receivables	68,863	36,279	105,142
Allowance for Doubtful Accounts	----	----	----
<u>Receivables (Net)</u>	<u>\$ 68,863</u>	<u>\$ 36,279</u>	<u>\$ 105,142</u>

NOTE 3 - CASH AND CASH EQUIVALENTS

At June 30, 2020, cash and cash equivalents included the following amounts:

TOWN OF LECOMPTTE

Summary of Findings

June 30, 2020

	Governmental Activities	Business-Type Activities	Total
Cash Deposited in Banks	\$ 343,780	\$ 298,676	\$ 642,456
Petty Cash	200	----	200
Total Cash	343,980	298,676	642,656
Restricted Cash	----	298,676	298,676
Cash and Cash Equivalents	\$ 343,980	\$ ----	\$ 343,980

Cash deposited in banks is stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2020, the Town had \$ 642,456 in deposits (\$657,647 collected bank balance). These deposits are secured from risk by \$328,843 of federal deposit insurance and \$153,830 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

Even though the pledged securities are considered uncollateralized, State law imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand. Bank overdrafts are presented as current liabilities on the balance sheet.

Custodial Credit Risk – Deposits

Custodial Credit Risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Town's deposit policy for custodial credit risk is established by state law. As of June 30, 2020, \$173,974 of the Town's \$657,647 collected bank balance was uninsured and uncollateralized.

NOTE 4 - LONG-TERM DEBT

Debt attributable to the acquisition of the Town's utility system and the operation of the utility system is reported as an obligation of the Town's business-type enterprise funds. Remaining debts are reported as governmental activities. The Town's debts are summarized as follows:

	Governmental Activities	Business-Type Activities	Total
Certificates of Indebtedness	\$ 91,737	\$ ----	\$ 91,737
Capital Leases	----	----	----
Revenue Bonds	----	732,210	732,210
Total Obligations	91,737	732,210	823,947
Due Within One Year	9,604	14,219	23,823
Due in More Than One Year	\$ 82,133	\$ 717,991	\$ 800,124

TOWN OF LECOMPTE

Summary of Findings

June 30, 2020

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Governmental Activities</u>				
Certificates of Indebtedness	\$ 100,988	\$ ----	\$ 9,251	\$ 91,737
Installment Purchase Agreement	13,762	----	13,762	---
Total Governmental Activities	114,750	----	23,013	91,737
<u>Business-Type Activities</u>				
Revenue Bonds	746,130	----	13,920	732,210
Total Business-Type Activities	746,130	----	13,920	732,210
Total Long-term Debts	\$ 860,880	\$ ----	\$ 36,933	\$ 823,947

Certificates of Indebtedness

The Town has issued certificates which are secured by and payable from a pledge of the excess of annual revenues above statutory, necessary and usual charges incurred by the Town. Certificates of indebtedness outstanding at June 30, 2020 are described as follows:

\$181,000 Certificates of Indebtedness, Series 2010 bearing interest at a rate of 3.75%.
Principle is payable in monthly installments of \$1,073, with the final installment due
December 21, 2030.

\$ 91,737

Revenue Bonds

The Town has issued revenue bonds that are secured by and payable solely from a pledge of funds generated by a specific revenue source. Revenue bonds outstanding at June 30, 2020 are described as follows:

\$784,000 Sewer Revenue Bonds Series 2013; payable over 40 years and bearing
interest at a rate of 2.125%. The first payment, due August 11, 2016 was interest only,
and thereafter the Town began paying monthly installments of interest and principle
of \$2,470 with the final installment due August 11, 2055.

\$ 732,210

TOWN OF LECOMPTTE

Summary of Findings

June 30, 2020

Maturity of Long-term Debt

A schedule of maturities of long-term debt excluding compensated absences and capital leases is presented as follows:

<u>Year Ended June 30th</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal Installments</u>	<u>Interest</u>	<u>Principal Installments</u>	<u>Interest</u>
2021	9,604	3,276	14,219	15,421
2022	9,970	2,910	14,524	15,116
2023	10,351	2,529	14,835	14,805
2024	10,745	2,135	15,154	14,486
2025	11,155	1,725	15,479	14,161
2026 – 2030	39,912	2,582	82,521	65,679
2031 - 2035	-	-	91,763	56,437
2036 - 2040	-	-	102,040	46,160
2041 - 2045	-	-	113,468	34,732
2046 - 2050	-	-	126,176	22,024
2051 - 2055	-	-	140,307	7,893
2055	-	-	1,724	3
Total Governmental	\$ 91,737	\$ 15,157	\$ 732,210	\$ 306,917

NOTE 5 – AD VALOREM TAXES

The Town bills and collects its own property taxes using the assessed values determined by the Tax Assessor of Rapides Parish. For the year ended June 30, 2020, the Town has levied ad valorem taxes as follows:

<u>Description</u>	<u>Mills Levied</u>
Levied for general alimony as permitted by State Law. Revenue from taxes levied for general alimony is reported by the general fund.	7.29

Ad valorem taxes are assessed on a calendar year basis and are due on or before December 31 in the year the tax is levied. Revenues from ad valorem taxes are recognized as revenue in the year billed.

NOTE 6 – CAPITAL ASSETS

Changes in governmental and business-type capital assets are presented as follows:

<u>Governmental Activities</u>	<u>Beginning</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending</u>
Depreciable Capital Assets				
General Fixed Assets	\$ 2,555,380	\$ ----	\$ ----	\$ 2,555,380
Sanitation Assets	20,627	----	----	20,627
Recreation and Community Center	367,909	----	----	367,909
Fire	205,556	----	----	205,556
Streets and Highways	1,922,844	91,287	----	2,014,131
Police	316,453	----	----	316,453

TOWN OF LECOMPTTE

Summary of Findings **June 30, 2020**

Accumulated Depreciation	(3,856,649)	(101,040)	----	(3,957,689)
Total Governmental Activities	\$ 1,532,120	\$ (9,753)	----	\$ 1,522,367
<u>Business-Type Activities</u>				
Non Depreciable Capital Assets				
Sewer Construction in Process	\$ ----	\$ ----	\$ ----	\$ ----
Total Construction in Process	----	----	----	----
Depreciable Capital Assets				
Sewer System	3,899,540	----	----	3,899,540
Accumulated Depreciation	(505,658)	(39,645)	----	(545,303)
Total	3,393,882	(39,645)	----	3,354,237
Total Business-Type Activities	\$ 3,393,882	\$ (39,645)	----	\$ 3,354,237

Depreciation expense charged to various functions presented on the statement of activities is presented as follows:

	Governmental Activities	Business-Type Activities	Total
General and Administrative	\$ 5,599	\$ ----	\$ 5,599
Police Department	13,190	----	13,190
Street Maintenance	74,450	----	74,450
Recreation Department	7,801	----	7,801
Sewer System	----	39,645	39,645
	\$ 101,040	\$ 39,645	\$ 140,685
Total Depreciation Expense			

NOTE 7 – ACCOUNTS AND OTHER PAYABLES

Details related to amounts reported as accounts and other payables are provided as follows:

	Governmental Activities			Total
	General Fund	One Cent Sales Tax Fund	Non-Majors	
Payable to Vendors	\$ 72,626	\$ 7,512	\$ 8,615	\$ 88,753
Accrued Wages	84,413			84,413
Due to Other Entities	39,397	----	----	39,397
Payroll Taxes and Withholding	268,433	----	----	268,433
Total	\$ 464,869	\$ 7,512	\$ 8,615	\$ 480,996

The Sewer System Maintenance Fund had \$6,158 of payables to vendors as of the year ended June 30, 2020. The Sewer System Maintenance Fund did not have any other accounts payable outstanding.

TOWN OF LECOMPTTE

Summary of Findings

June 30, 2020

NOTE 8- RISK MANAGEMENT

The Town is exposed to various risk of loss related to torts; theft, damage or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town insures against these risks by participation in public entity risk pools that operate as common insurance programs and by purchasing commercial insurance. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

NOTE 9 - RESTRICTED RESOURCES

The Town's net position is subject to restrictions described as follows:

- Bond covenants require the Town to establish bank accounts which serve as debt service and depreciation reserves. Funds may be disbursed from these accounts only under specific circumstances described by the bond covenants.
- Certain sales taxes proceeds are available only for certain expenditures.
- The Town's sewer revenue collections are restricted to the operation and maintenance of the Town's sewer system.

NOTE 10 – PENSION PLANS

Substantially all Town's employees are members of statewide retirement systems. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. A summary of amounts reported in connection with participation in these plans is summarized as follows:

	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Municipal Employees' Retirement System	\$ 197,277	\$ 85,329	\$ 36,156
Municipal Police Employees' Retirement System of Louisiana	----	----	77,308
Total	197,277	85,329	113,464
Portion Applicable to Business Type Activities	---	---	---
Portion Applicable to Government Type Activities	<u>197,277</u>	<u>\$ 85,329</u>	<u>\$ 113,464</u>

Further information regarding each of the retirement systems presented above is furnished as follows:

Municipal Employees' Retirement System of Louisiana

Plan Description -The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Town participating in the retirement system are members of Plan B. All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2 percent of their final-average monthly salary in excess of \$100 for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 3 percent for each year retirement precedes age 62. In any case, monthly retirement benefits paid

TOWN OF LECOMPTTE

Summary of Findings

June 30, 2020

under Plan B cannot exceed 100 percent of final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

Funding Policy - Under Plan B, members are required by state statute to contribute 5.0 percent of their annual covered salary and the Town is required to contribute at an actuarially determined rate. Contributions to the System also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by State law, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town's contributions to the system were equal to the required contributions for the year.

Financial Summary – The plan description, funding policies and financial information provides a summary of the Plan provisions and finances. For additional details, the System issues an annual publicly available stand-alone financial report. The financial report includes information about the plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position. The report can be obtained on the internet at mersla.com. The plans net pension liability was determined at June 30, 2019 (measurement date and actuarial valuation date) and details are provided as follows:

Net Pension Liability	\$ 87,481,335
Town's Proportionate Share (Percentage)	0.22551%
Town's Proportionate Share (Amount)	<u>\$ 197,277</u>

The net pension liability presented above was not affected by any special funding situations. Changes in the Town's proportionate share of Plan's net pension liability during the measurement period ending June 30, 2019 are provided as follows:

Beginning Net Pension Liability	\$ 131,415
Employer Contributions	(24,129)
<u>Pension Expense</u>	
Proportionate Share of Plan Pension Expense	42,615
Changes in Proportion	(3,022)
Employee Contributions	<u>(5,946)</u>
Change in Deferred Outflows of Resources	31,768
Change in Deferred Inflows of Resources	<u>24,576</u>
Ending Net Pension Liability	<u>\$ 197,277</u>

There were no changes between June 30, 2020 and the Plan's measurement date that are expected to have a significant effect on the Town's proportionate share of the collective net pension liability. Balances presented as deferred outflows of resources and deferred inflows of resources reported in connection with participation in the plan are presented as follows:

TOWN OF LECOMPTE

Summary of Findings

June 30, 2020

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
Differences Between Expected and Actual Experience	\$ ----	\$ 8,750	\$ (8,750)
Net Difference Between Projected and Actual Investment			
Earnings on Pension Plan Investments	20,777	----	20,777
Changes of Assumptions	12,026	----	12,026
Changes in Proportion	33,318	27,406	5,912
Employer Contributions Made After the Measurement Date	<u>19,208</u>	<u>-----</u>	<u>19,208</u>
Total Deferrals	85,329	36,156	49,173
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	<u>19,208</u>	<u>----</u>	<u>19,208</u>
Deferrals Subject to Amortization	<u>\$ 66,121</u>	<u>\$ 36,156</u>	<u>\$ 29,965</u>

Deferrals that will be amortized as a component of pension expense in future periods are summarized as follows:

<u>For the Year Ending:</u>	
June 30, 2020	\$ 2,118
June 30, 2021	23,276
June 30, 2022	2,767
June 30, 2023	<u>1,804</u>
Total	<u>\$ 29,965</u>

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return	7.0%, net of pension plan investment expense, including inflation
Projected Salary Increases	
- 1 to 4 years of service	6.4%-Plan A and 7.4%-Plan B (2.5% Inflation)
- More than 4 years of service	4.5%-Plan A and 4.9%-Plan B
Mortality Rates	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusting using their respective male and female MP2018
	PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
	PubNS-2010(B) Disables retiree Table set equal to 120% for males and females with the full generational MP2018 scale.
Expected Remaining Service Lives	3 years

TOWN OF LECOMPTE

Summary of Findings

June 30, 2020

Cost of Living Adjustments

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

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, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Public Equity	50%	2.15%
Public Fixed Income	35%	1.51%
Alternatives	15%	0.64%
Totals	100%	4.30%
Inflation		2.70%
Expected Arithmetic Nominal Return		7.00%

The discount rate used to measure the total pension liability was 7.00%. 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 PRSAC taking into consideration the recommendation of the System's 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.

Sensitivity to changes in the discount has been determined by measuring net pension liability at a discount rate that is one percentage point lower and one percentage point higher than the current rate. The results are presented as follows:

	<u>1% Decrease 6.00% Discount Rate</u>	<u>Current Discount Rate 7.00%</u>	<u>1% Increase 8.00 % Discount</u>
Net Pension Liability	\$ 262,920	\$ 197,277	\$ 141,761

Municipal Police Employees' Retirement System of Louisiana

Plan Description - All full-time police department employees engaged in law enforcement are eligible to participate in the System. Any member of the Plan who commenced participation in the Plan before January 1, 2013 is eligible for retirement provided he or she meets one of the following conditions:

- At any age and has 25 years of creditable service
- At age 50 and has 20 years of creditable service
- At age 55 and has 12 years of creditable service.

Retirees are entitled to a retirement benefit, payable monthly for life, equal to 3^{1/3} percent of their final-average salary for each year of creditable service, not to exceed 100% of their final salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee

TOWN OF LECOMPTE

Summary of Findings

June 30, 2020

contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination.

Any member of the Plan who commenced participation in the Plan after January 1, 2013 is eligible for retirement based on Hazardous Duty and Non-Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for retirement provided he or she meets one of the following conditions:

- At any age and has 25 years of creditable service
- At age 55 and has 12 years of creditable service.

Under the Non-Hazardous Duty sub plan, a member is eligible for retirement provided he or she meets one of the following conditions:

- At any age and has 30 years of creditable service
- At age 55 and has 25 years of creditable service.
- At age 60 and has 10 years of creditable service.

Under either Sub Plan, a member is eligible for early retirement after he or she has been a member of the System with 20 years of creditable service, with an actuarially reduced benefit from age 55. Under the Hazardous and Non-Hazardous Duty sub plans, the benefit rates are 3% and 2 ½%, respectively, of average final compensation (Average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary. The System also provides death and disability benefits for all members. Benefits are established or amended by state statute. As of June 30, 2020, the Town did not have any active participants in the plan, but is still reporting the amortization of deferred inflows associated with its past participation.

Funding Policy - Plan members are required by state statute to contribute a percent of their annual covered salary to the System. The percentage required for the measurement period ending June 30, 2019 is listed below:

Members hired prior to January 1, 2013 –	10.00%
Hazardous Duty Members hired after January 1, 2013-	10.00%
Non-Hazardous Duty Members hired after January 1, 2013 -	8.00%

The Town is required to contribute at an actuarially determined rate. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town's contributions to the plan were equal to the required contributions for each of the past three years.

Financial Summary – The plan description, funding policies and financial information provides a summary of the Plan provisions and finances. For additional details, the System issues an annual publicly available stand-alone financial report available on the internet at www.mersla.com. The financial report includes information about the plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position. The report can be obtained on the internet at lampers.org. The plans net pension liability was determined at June 30, 2019 (measurement date and actuarial valuation date) and details are provided as follows:

TOWN OF LECOMPTTE

Summary of Findings

June 30, 2020

Net Pension Liability	\$ 908,167,473
Town's Proportionate Share (Percentage)	<u>0.00%</u>
Town's Proportionate Share (Amount)	<u>\$ ----</u>

The net pension liability presented above was not affected by any special funding situations. Changes in the Town's proportionate share of Plan's net pension liability during the measurement period ending June 30, 2019 are provided as follows:

Beginning Net Pension Liability		\$ 61,055
Employer Contributions		----
<u>Pension Expense</u>		
Proportionate Share of Plan Pension Expense	(24,077)	
Amortization	----	
Employee Contributions	----	(24,077)
Change in Deferred Outflows of Resources		(25,772)
Change in Deferred Inflows of Resources		<u>(11,206)</u>
Ending Net Pension Liability		<u>\$ ----</u>

There were no changes between June 30, 2020 and the Plan's measurement date that are expected to have a significant effect on the Town's proportionate share of the collective net pension liability. Balances presented as deferred outflows of resources and deferred inflows of resources reported in connection with participation in the plan are presented as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
Differences Between Expected and Actual Experience	\$ ----	\$ ----	\$ ----
Net Difference Between Projected and Actual			
Investment Earnings on Pension Plan Investments	----	----	----
Changes of Assumptions	----	----	----
Changes in Proportion	----	77,308	(77,308)
Employer Contributions Made After the Measurement Date	----	----	----
Total Deferrals	----	77,308	(77,308)
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	----	----	----
Deferrals Subject to Amortization	<u>\$ ----</u>	<u>\$ 77,308</u>	<u>\$ (77,308)</u>

Deferrals that will be amortized as a component of pension expense in future periods are summarized as follows:

TOWN OF LECOMPTTE

Summary of Findings June 30, 2020

<u>For the Year Ending:</u>	
June 30, 2020	\$ (42,657)
June 30, 2021	(20,407)
June 30, 2022	(14,244)
June 30, 2023	----
Total	<u>\$ (77,308)</u>

A summary of the actuarial methods and assumptions used in determining the total pension liability as of the measurement date are as follows:

Valuation Date	June 30, 2019	
Actuarial Cost Method	Entry Age Normal Cost	
Investment Rate of Return	7.125% per annum	
Expected Remaining Service Lives	4 Years	
Inflation Rate	2.50% per annum	
Projected Salary Increases Including Inflation and Merit	<u>Years of Service</u>	<u>Salary Growth Rate</u>
	1 - 2	9.75%
	3 - 23	4.75%
	23 & Over	4.25%

The best estimates of the arithmetic nominal rates of return for each major asset class included in the System's target allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Portfolio Real Rate of Return</u>
Equity	48.50%	3.28%
Fixed Income	33.50%	0.80%
Alternatives	18.00%	1.06%
Other	0.00%	0.00%
Totals	<u>100%</u>	<u>5.14%</u>
Inflation		<u>2.75%</u>
Expected Arithmetic Nominal Return		<u>7.89%</u>

The discount rate used to measure the total pension liability was 7.125%. 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 PRSAC taking into consideration the recommendation of the System's 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.

TOWN OF LECOMPTTE

Summary of Findings

June 30, 2020

The mortality rate assumption used was set 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 then 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 setback of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables

Sensitivity to changes in the discount has been determined by measuring net pension liability at a discount rate that is one percentage point lower and one percentage point higher than the current rate. The results are presented as follows:

	1% Decrease 6.125% Discount Rate	Current Discount Rate 7.125%	1% Increase 8.125 % Discount
Net Pension Liability	\$ ----	\$ ----	\$ ----

NOTE 11 – CONTINGENCIES

Existing conditions that may have financial consequences are referred to as contingencies. Contingencies existing at June 30, 2020 are described as follows:

Litigation

Like most governmental units with extensive and diverse operations, the Town is occasionally named as a defendant in litigation. Based on consultation with the Town Attorney, the ultimate outcome of litigation that is pending or anticipated cannot be estimated at the present time.

Grant Compliance

The Town receives state and federal assistance through various grant programs. Management is confident that all significant grant conditions have been met; however, grantor agencies routinely review grant activity and could request reimbursement if a dispute occurs regarding compliance with grant conditions.

NOTE 12: FUND DEFICIT

As of June 30, 2020, the funds listed below had deficit balances. It is management's policy to cover shortfalls in non-major funds with monies from the Town's General Fund.

<u>Fund</u>	<u>Deficit</u>
General Fund	319,456
One Cent Sales Tax Fund	54,401
Park Fund	7,617
Pie Festival Fund	2,622
Millage	23,637
Street Improvement	13,478

TOWN OF LECOMPTTE

Summary of Findings ***June 30, 2020***

NOTE 13 – INTERNAL BALANCES

Details related to internal balances are presented as follows:

<u>Governmental Activities</u>	<u>Receivable (Payable)</u>	<u>Purpose</u>
General	\$ (137,139)	The Town routinely lends money between funds to cover necessary expenses. This results in interfund receivables and payables.
1% Dedicated Sales Tax	(129,103)	
Non-major Governmental Funds	(17,264)	
	<u>\$ (283,506)</u>	

<u>Business-Type Activities</u>	<u>Receivable (Payable)</u>	<u>Purpose</u>
Sewer System	\$ 283,506	The Town routinely lends money between funds to cover necessary expenses. This results in interfund receivables and payables.

NOTE 14 - TRANSFERS

During the current year, The Town of Lecompte made the following operating transfers:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ ----	\$ ----
Sewer Maintenance	----	----
Sewer Construction	----	----
Public Equipment Sinking Fund	12,914	----
Red River Grant	----	----
Park Fund	----	----
One Cent Fund	----	12,914
Totals	<u>\$ 12,914</u>	<u>\$ 12,914</u>

NOTE 15 – ON BEHALF PAYMENTS

The State of Louisiana provides supplemental pay for public safety employees that met certain requirements. Amounts reported as revenue and expenditures in connection with State Supplemental Pay are \$7,000.

Town of Lecompte

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Year Ended June 30, 2020

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
<u>Revenues:</u>				
Taxes:				
Ad Valorem	\$ 27,000	\$ 28,500	\$ 35,940	\$ 7,440
Sales	375,000	350,000	265,588	(84,412)
Licenses & Permits:				
Franchise Fees	80,000	70,000	64,069	(5,931)
Occupational Licenses	2,500	500	67,494	66,994
Other	6,500	16,000	-	(16,000)
Intergovernmental	1,000	2,000	319,523	317,523
Sanitation	42,000	65,000	61,543	(3,457)
Fines and Forfeitures	122,000	132,000	181,501	49,501
Other	31,600	228,000	3,110	(224,890)
Total revenues	687,600	892,000	998,768	106,768
<u>General Government:</u>				
General Government	192,800	327,600	294,247	33,353
Police Department/Public Safety	290,872	299,850	453,678	(153,828)
Street Maintenance	198,612	127,750	146,044	(18,294)
Recreation Department	-	100	17,224	(17,124)
Other Expenditures			-	
Capital Expenditures	-		91,287	(91,287)
Debt Service	-	-	14,512	(14,512)
Total expenditures	682,284	755,300	1,016,992	(261,692)

Town of Lecompte

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)

Budget and Actual - Year Ended June 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Excess (Deficiency) of				
Revenues Over Expenditures	5,316	136,700	(18,224)	(154,924)
<u>Other Financing Sources (Uses):</u>				
Proceeds from Financing		-	-	-
Operating Transfers In	-	164,523	-	(164,523)
Operating Transfers Out	-	-	-	-
Excess (Deficiency) of				
Revenues and Other Sources				
Over Expenditures and Other				
Uses	5,316	301,223	(18,224)	(319,447)
Fund Balance (Deficit) -				
Beginning of Year	-	(301,223)	(301,232)	(9)
Fund Balance (Deficit) -				
End of Year	\$ 5,316	\$ -	\$ (319,456)	\$ (319,456)

Town of Lecompte

One Cent Sales Tax Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Year Ended June 30, 2020

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<u>Revenues:</u>				
Sales Taxes	\$ 140,000	\$ 150,000	\$ 161,398	\$ 11,398
Intergovernmental/Other	-	33	12,880	12,847
Total revenues	140,000	150,033	174,278	24,245
<u>General Government:</u>				
Sanitation	90,000	85,000	85,069	(69)
Public Safety	-	-	18,594	(18,594)
Other Expenses	8,760	7,500	-	7,500
Capital Expenditures	34,400	34,400	-	34,400
Total expenditures	133,160	126,900	103,663	23,237
Excess (Deficiency) of				
Revenues Over Expenditures	6,840	23,133	70,615	47,482
<u>Other Financing Sources (Uses):</u>				
Operating Transfers (Net)	-	-	(12,914)	(12,914)
Excess (Deficiency) of				
Revenues and Other Sources Over Expenditures and Other Uses	6,840	23,133	57,701	34,568
Fund Balance (Deficit) -				
Beginning of Year	-	(112,102)	(112,102)	-
Fund Balance (Deficit) -				
End of Year	\$ 6,840	\$ (88,969)	\$ (54,401)	\$ 34,568

Town of Lecompte

Schedule of Net Pension Liability Data **Cost Sharing Retirement Systems**

Retirement System / Measurement Date	Share of Collective		Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll	Pension Plans Fiduciary Net Position as a Percentage of Total Pension Liability
	Net Pension Liability				
	Percent	Amount			
Municipal Employees' Retirement System					
June 30, 2014	0.22622%	99,470	144,091	69.0%	76.9%
June 30, 2015	0.21866%	153,752	156,926	98.0%	68.7%
June 30, 2016	0.28399%	235,405	208,653	112.8%	63.3%
June 30, 2017	0.27221%	235,521	202,600	116.2%	63.5%
June 30, 2018	0.15537%	131,415	115,819	113.5%	65.6%
June 30, 2019	0.22551%	197,277	172,392	114.4%	65.6%
Municipal Police Employees' Retirement System					
June 30, 2014	0.00000%	-	-	0.0%	N/A
June 30, 2015	0.01211%	94,760	32,381	292.6%	70.7%
June 30, 2016	0.02208%	206,952	61,915	334.3%	66.0%
June 30, 2017	0.01041%	90,858	31,090	292.2%	70.1%
June 30, 2018	0.00722%	61,055	21,333	286.2%	71.9%
June 30, 2019	0.00000%	-	-	0.0%	N/A

Notes to Schedule:

At the present time, management has not identified any factors that are expected to significantly affect trends in the amounts reported above.

Town of Lecompte

Schedule of Employer Contributions Cost Sharing Retirement Systems

Retirement System / Fiscal Year Ending	Statutorily Required Employer Contributions	Contributions Recognized By the Pension Plan	Difference Between Required and Recognized Contributions	Covered Payroll	Contributions Recognized as a Percentage of Covered Payroll
Municipal Employees' Retirement System					
June 30, 2014	14,115	12,608	1,507	144,091	8.75%
June 30, 2015	14,912	14,908	4	156,926	9.50%
June 30, 2016	19,822	19,822	-	208,653	9.50%
June 30, 2017	22,225	22,286	(61)	202,600	11.00%
June 30, 2018	15,256	15,346	(90)	115,819	13.25%
June 30, 2019	24,135	24,129	6	172,392	14.00%
Municipal Police Employees' Retirement System					
June 30, 2014	-	-	-	-	0.00%
June 30, 2015	10,192	10,200	(8)	32,381	31.50%
June 30, 2016	18,246	18,265	(19)	61,915	29.50%
June 30, 2017	9,864	9,871	(7)	31,090	31.75%
June 30, 2018	6,554	6,560	(6)	21,333	30.75%
June 30, 2019	-	-	-	-	-

Notes to Schedule:

At the present time, management has not identified any factors that are expected to significantly affect trends in the amounts reported above.

Town of Lecompte

Combining Balance Sheet Non Major Governmental Funds June 30, 2020

	Public Equipment Sinking & Reserve	Park	Half-Cent Sales Tax	Pie Festival	Millage	Street Improvement	LCDBG	Total Non Major Funds
Assets								
Cash and Cash Equivalents	\$ 9,006	\$ 602	\$ 24,837	\$ 422	\$ -	\$ 5,780	\$ -	\$ 40,647
Receivables (net)	-	-	7,430	-	-	-	-	7,430
Interfund Receivables	-	-	33,396	-	6,300	1,110	7,811	48,617
Total assets	\$ 9,006	\$ 602	\$ 65,663	\$ 422	\$ 6,300	\$ 6,890	\$ 7,811	\$ 96,694
Liabilities and Fund Balance								
Liabilities								
Accounts payable	\$ -	\$ -	\$ 829	\$ 51	\$ -	\$ -	\$ 7,735	8,615
Interfund Payables	4,363	8,219	-	2,993	29,937	20,368	-	65,880
Total liabilities	4,363	8,219	829	3,044	29,937	20,368	7,735	74,495
Fund Balance								
Restricted For:								
Other Special Purposes	4,643	(7,617)	64,834	(2,622)	(23,637)	(13,478)	76	22,199
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances	4,643	(7,617)	64,834	(2,622)	(23,637)	(13,478)	76	22,199
Total Liabilities and Fund Balance								
Balance	\$ 9,006	\$ 602	\$ 65,663	\$ 422	\$ 6,300	\$ 6,890	\$ 7,811	\$ 96,694

Town of Lecompte

Combining Statement of Revenues, Expenditures and Changes in Fund Balance Non Major Governmental Funds - Year Ended June 30, 2020

	Public Equipment		Half-Cent		Street		Total
	Sinking	Park	Sales Tax	Pie Festival	Improvement	LCDBG	Non Major
							Funds
Revenues:							
Sales Taxes	\$ -	\$ -	\$ 80,258	\$ -	\$ -	\$ -	\$ 80,258
Intergovernmental	-	-	-	-	-	-	-
Other	-	219	-	4,285	-	-	4,504
Total Revenues	-	219	80,258	4,285	-	-	84,762
Expenditures:							
Current:							
Recreation/Beautification	-	-	59,558	5,304	-	-	64,862
Capital Expenditures	-	-	-	-	-	-	-
Other	-	-	-	-	9,055	-	9,055
Debt Service	12,880	-	-	-	-	-	12,880
Total Expenditures	12,880	-	59,558	5,304	9,055	-	86,797
Excess (Deficiency) of							
Revenues Over Expenditures	(12,880)	219	20,700	(1,019)	-	(9,055)	(2,035)
Other Financing Sources (Uses):							
Operating Transfers In/Out	12,914	-	-	-	-	-	12,914
Excess (Deficiency) of							
Revenues and Other Sources							
Over Expenditures and Other							
Uses	34	219	20,700	(1,019)	-	(9,055)	10,879
Fund Balance (Deficit)							
Beginning of Year	4,609	(7,836)	44,134	(1,603)	(23,637)	(4,423)	76
End of Year	\$ 4,643	\$ (7,617)	\$ 64,834	\$ (2,622)	\$ (23,637)	\$ (13,478)	\$ 76

Town of Lecompte

Schedule of Compensation Paid to Board Members For the year ended June 30, 2020

Alex Baker III	6,000
Patrick Baker	6,000
George L Clark	6,000
Lonnell Clark	6,000
Craig Phillips	14,400
Ashton Washington Jr.	6,000
Total Compensation	44,400

Town of Lecompte

Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer For the year ended June 30, 2020

Agency Head

Craig Phillips

Purpose:

Compensation 14,400

Benefits:

Payroll Taxes 1,102

Reimbursements 41

Retirement -

Town of Lecompte

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2020

PART I - SUMMARY OF AUDITOR'S RESULTS

- The Independent Auditor's Report on the financial statements for the Town of Lecompte as of June 30, 2020 and for the year then ended reported an unmodified opinion.
- One deficiency in internal control was reported in connection with the audit, as listed below.
- Five acts of noncompliance material to the financial statements of the Town of Lecompte were reported during the audit as listed below.

PART II - FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS

2020-1: DEBT COVENANTS

Prior to accepting a loan from the USDA, the Town agreed to make monthly transfers of \$2,034 into an account dedicated to the replacement of short-lived assets, until a certain amount was set aside. The Town did not make all required payments in the current year.

2020-2: NON-PAYMENT OF PAYROLL TAXES AND RETIREMENT

Federal law requires employers to remit payment for employment taxes, as well as federal taxes withheld from the payroll checks of employees. The Town did not make all required payments. In addition, the Town participates in a cost-sharing retirement system. All required payments were made to the retirement system, but not all forms were filed when due.

2020-3: TECHNICAL BUDGET VIOLATION

In the current year, the expenditures in the General Fund were more than budgeted amounts by more than 5%, which is a violation of the Louisiana Budget Law.

2020-4: NON-REMITTANCE OF CERTAIN COSTS COLLECTED ON BEHALF OF OTHER ENTITIES

LA Revised Statutes require the Town to remit certain fees, fines, and court costs to various agencies whenever fines are collected by the Town. The Town did not remit all required amounts collected on behalf of these various agencies.

2020-5: PIE FESTIVAL ACTIVITIES

In connection with facilitating culture and recreation activities, the Town hosts the Annual Pie Festival each year. Volunteer members of a committee deal with the operations of the Festival, while the Town maintains the accounting records. Since these operations are conducted in remote locations, the transactions are not subjected to the centralized accounting policies and procedures that apply to the Town's typical financial activities.

2020-6: DEPOSIT RISK

Louisiana Law requires deposits over \$250,000, the FDIC insured limit, to be secured by collateral. In the current year, not all of the Town's deposits were adequately secured, exposing the Town to custodial credit risk.

TOWN OF LECOMPTE

Management's Corrective Action Plan

June 30, 2020

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

FINDINGS

2020-1: DEBT COVENANTS

Prior to accepting a loan from the USDA, the Town agreed to make monthly transfers of \$2,034 into an account dedicated to the replacement of short-lived assets, until a certain amount was set aside. The Town did not make all required payments in the current year.

2020-2: NON-PAYMENT OF PAYROLL TAXES AND RETIREMENT

Federal law requires employers to remit payment for employment taxes, as well as federal taxes withheld from the payroll checks of employees. The Town did not make all required payments. In addition, the Town participates in a cost-sharing retirement system. All required payments were made to the retirement system, but not all forms were filed when due.

2020-3: TECHNICAL BUDGET VIOLATION

In the current year, the expenditures in the General Fund were more than budgeted amounts by more than 5%, which is a violation of the Louisiana Budget Law.

2020-4: NON-REMITTANCE OF CERTAIN COSTS COLLECTED ON BEHALF OF OTHER ENTITIES

LA Revised Statutes require the Town to remit certain fees, fines, and court costs to various agencies whenever fines are collected by the Town. The Town did not remit all required amounts collected on behalf of these various agencies.

RESPONSE

2020-1: DEBT COVENANTS

When this issue was discovered, the Town began making the required payments. We have made all required payments for the last seven months of the year, and will continue to do so.

2020-2: NON-PAYMENT OF PAYROLL TAXES AND RETIREMENT

We will develop an internal tickler system so that we can ensure compliance in the future, and pay amounts due such authorities in a timely manner. The Town is committed to paying all monies owed to these agencies in the future.

2020-3: TECHNICAL BUDGET VIOLATION

We have examined our budgeting process, and have taken corrective action so that we can better predict our revenues and expenditures in future years.

2020-4: NON-REMITTANCE OF CERTAIN COSTS

We have begun to file all required reports, and began to reach out to each agency in order to remit all required fees.

TOWN OF LECOMPTE

Management's Corrective Action Plan

June 30, 2020

<p><u>2020-5: PIE FESTIVAL ACTIVITIES</u> In connection with facilitating culture and recreation activities, the Town hosts the Annual Pie Festival each year. Volunteer members of a committee deal with the operations of the Festival, while the Town maintains the accounting records. Since these operations are conducted in remote locations, the transactions are not subjected to the centralized accounting policies and procedures that apply to the Town's typical financial activities.</p> <p><u>2020-6: DEPOSIT RISK</u> Louisiana Law requires deposits over \$250,000, the FDIC insured limit, to be secured by collateral. In the current year, not all of the Town's deposits were adequately secured, exposing the Town to custodial credit risk.</p>	<p><u>2020-5: PIE FESTIVAL ACTIVITIES</u> We will examine our options, including adopting proper controls or privatizing the festival activities, and resolve the issue in the current year.</p> <p><u>2020-6: DEPOSIT RISK</u> We have contacted the fiscal agent bank to inform them of the issue, and they have assured us that adequate funds will be pledged as security to address this matter.</p>
SECTION II MANAGEMENT LETTER	
<u>FINDINGS</u>	<u>RESPONSE</u>

Town of Lecompte
Statewide Agreed-Upon Procedures
Schedule of Procedures, Results and Managements' Response (Continued)

<u>SECTION I</u>	
INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.	
<u>FINDINGS</u>	<u>RESPONSE</u>
<p><u>2019-1: LATE SUBMISSION OF REPORT</u> Louisiana State Law requires that an annual audit be submitted to the Legislative Auditor within six months after the close of the fiscal year. The Town did not submit the annual audit report within the required time frame.</p>	<p><u>RESOLVED</u></p>
<p><u>2019-2: DEBT COVENANTS</u> Prior to accepting a loan from the USDA, the Town agreed to make monthly transfers of \$2,034 into a short-lived assets account. The Town has not made any transfers into this account in the current year.</p>	<p><u>PARTIALLY RESOLVED: SEE FINDING 2020-1</u> While the Town did not make all required payments, it did begin making payments during the year.</p>
<p><u>2019-3: NON-PAYMENT OF PAYROLL TAXES AND RETIREMENT</u> Federal law requires employers to remit payment for employment taxes, as well as federal taxes withheld from the payroll checks of employees. The Town did not make all required payments. In addition, the Town participates in a cost-sharing retirement system. All required payments were not made to the retirement system, and not all forms were not submitted when due.</p>	<p><u>PARTIALLY RESOLVED – SEE FINDING 2020-2</u> While the Town didn't make all required payroll payments, or make every retirement payment timely, it did file all required reports for the cost-sharing retirement system on time.</p>
<p><u>2019-4: TECHNICAL BUDGET VIOLATION</u> In the current year, the revenues in the General Fund were less than budgeted amounts by more than 5%, which is a violation of the Louisiana Budget Law.</p>	<p><u>NOT RESOLVED: SEE FINDING 2020-3</u></p>
<p><u>2019-5: NON-REMITTANCE OF CERTAIN COSTS COLLECTED ON BEHALF OF OTHER ENTITIES</u> LA Revised Statutes requires the Town to remit certain fees, fines, and court costs to various agencies whenever fines are collected by the Town. The Town did not remit all required amounts collected on behalf of these various agencies, as required.</p>	<p><u>NOT RESOLVED: SEE FINDING 2020-4</u></p>
<p><u>2019-6: OPEN MEETINGS LAW</u> LA Revised Statutes requires municipalities to keep minutes of public meetings. The minutes must require the date, time, and place of the meeting, the attendance of the Town's elected officials, and a substance of all matters decided or votes taken. In the current year, the Town did not keep minutes for one council meeting.</p>	<p><u>RESOLVED</u></p>

Town of Lecompte

Statewide Agreed-Upon Procedures

Schedule of Procedures, Results and Managements' Response (Continued)

<p><u>2019-7: SUPPLEMENTAL PAY</u> Public Safety employees who have met certain requirements receive Supplemental Pay from the state. While these payments are made directly to the employee, each municipality is required to withhold and match payroll taxes owed on these amounts. In the current year, the Town did not hold out payroll taxes for the Public Safety employees who received Supplemental Pay.</p> <p><u>2019-8: RETENTION OF RECORDS</u> LA Revised Statutes require municipalities to maintain accounting records in such a manner as to provide evidence of legal compliance. In the current year, the Town was unable to provide auditors with all requested invoices, requiring alternative procedures to be used.</p> <p><u>2019-9: TICKET SEQUENCE</u> To maintain effective internal controls, the Town's police department must be able to account for each ticket written. During our audit procedures, we found that ticket books were not being properly accounted for.</p> <p><u>2019-10: PIE FESTIVAL ACTIVITIES</u> In connection with facilitating culture and recreation activities, the Town hosts the Annual Pie Festival each year. Volunteer members of a committee deal with the operations of the Festival, while the Town maintains the accounting records. Since these operations are conducted in remote locations, the transactions are not subjected to the centralized accounting policies and procedures that apply to the Town's typical financial activities.</p>	<p><u>RESOLVED</u></p> <p><u>RESOLVED</u></p> <p><u>RESOLVED</u></p> <p><u>NOT RESOLVED: SEE FINDING 2020-5</u></p>
<p>SECTION II MANAGEMENT LETTER</p>	
<p><u>FINDINGS</u> No Findings of this nature.</p>	<p><u>RESPONSE</u> No response necessary</p>