

Town of Kinder, Louisiana

ANNUAL FINANCIAL REPORT AND INDEPENDENT AUDITOR'S REPORT

YEAR ENDED JUNE 30, 2024

Royce T. Scimemi, CPA, APAC
Oberlin, LA

Town of Kinder, Louisiana

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Town of Kinder, Louisiana

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INDEPENDENT AUDITOR'S REPORT

December 30, 2024

Honorable Wayland LaFargue, Mayor
and the Town Council
Town of Kinder, Louisiana

Opinions

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

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

Basis for Opinions

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

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and the pension liability information on pages 43 through 52 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion

or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Honorable Wayland LaFargue, Mayor and the Town Council
Independent Auditor's Report
December 30, 2024
Page 3.

Management of the Town has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by 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. Our opinion on the basic financial statements is not affected by this omitted information.

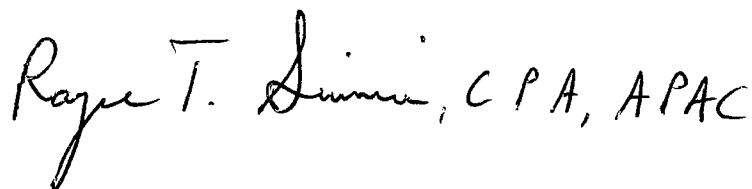
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying schedule of compensation paid to mayor and council members, the schedule of compensation, benefits and other payments to chief executive officer, the justice system funding schedule for a collecting/disbursing entity as required by Act 87 of the 2020 Louisiana regular legislative session, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform administrative requirements, Cost Principles, and Audit Requirements for federal awards*, are presented as supplementary information ("SI") on pages 55 through 57 and page 63 for purposes of additional analysis and are not a required part of the basic financial statements. Such SI is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The SI has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion this SI is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2024, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Royce T. Scimemi, CPA, APAC
Oberlin, Louisiana
December 30, 2024

A handwritten signature in black ink that reads "Royce T. Scimemi, CPA, APAC". The signature is written in a cursive, flowing style.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

Town of Kinder, Louisiana
Statement of Net Position
June 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
<i>Current Assets:</i>			
Cash	\$ 170,825	\$ 374,329	\$ 545,154
Restricted cash	1,517,562	280,082	1,797,644
Investments	1,660,585	51,862	1,712,447
Taxes receivable	143,858	--	143,858
Interest receivable	358	--	358
Accounts receivable	--	144,374	144,374
Other receivable	43,493	--	43,493
Due from other governments	2,475,386	--	2,475,386
Total Current Assets	6,012,067	850,647	6,862,714
<i>Noncurrent Assets:</i>			
Land	265,511	15,300	280,811
Construction-in-progress	4,003,030	301,830	4,304,860
Capital assets, net	5,280,588	4,904,550	10,185,138
Total Noncurrent Assets	9,549,129	5,221,680	14,770,809
Total Assets	15,561,196	6,072,327	21,633,523
DEFERRED OUTFLOWS OF RESOURCES			
Aggregated deferred outflows	405,028	--	405,028
Total Deferred Outflows of Resources	405,028	--	405,028
LIABILITIES			
<i>Current Liabilities</i>			
Accounts and other accrued payables	2,138,733	64,491	2,203,224
Due (to) from other funds	1,417	(1,417)	--
Interest payable	2,006	12,524	14,530
Due within one year	33,000	95,000	128,000
Total Current Liabilities	2,175,156	170,598	2,345,754
<i>Noncurrent Liabilities</i>			
Customer meter deposits	--	206,556	206,556
Due after one year	619,611	3,285,000	3,904,611
Net pension liability	1,133,589	--	1,133,589
Accrued compensated absences	75,100	8,638	83,738
Total Noncurrent Liabilities	1,828,300	3,500,194	5,328,494
Total Liabilities	4,003,456	3,670,792	7,674,248
DEFERRED INFLOWS OF RESOURCES			
Aggregated deferred inflows	3,830	--	3,830
Total Deferred Inflows of Resources	3,830	--	3,830
NET POSITION			
Invested in capital assets, net of related debt	8,894,512	1,829,156	10,723,668
Restricted	3,474,276	82,313	3,556,589
Unrestricted	(409,850)	490,066	80,216
Total Net Position	\$ 11,958,938	\$ 2,401,535	\$ 14,360,473

See accompanying notes.

Town of Kinder, Louisiana
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental Activities:							
General and Administrative	\$ 925,036	\$ 162,083	\$ --	\$ --	\$ (762,953)	\$ --	\$ (762,953)
Streets	380,207	--	--	95,000	(285,207)	--	(285,207)
Police	1,426,760	414,151	88,267	--	(924,342)	--	(924,342)
Section 8 Housing	503,386	--	521,439	--	18,053	--	18,053
Interest on Long-Term Debt	3,532	--	--	--	(3,532)	--	(3,532)
Total Governmental Activities	3,238,921	576,234	609,706	95,000	(1,957,981)	--	(1,957,981)
Business-Type Activities:							
Sewer Fund	371,389	334,401	--	--	--	(36,988)	(36,988)
Water Fund	463,932	483,772	--	--	--	19,840	19,840
Gas Fund	501,043	638,824	--	--	--	137,781	137,781
Interest on Long-Term Debt - Sewer Fund	77,068	--	--	--	--	(77,068)	(77,068)
Total Business-Type Activities	1,413,432	1,456,997	--	--	--	43,565	43,565
Total Primary Government	\$ 4,652,353	\$ 2,033,231	\$ 609,706	\$ 95,000	\$ (1,957,981)	\$ 43,565	\$ (1,914,416)
General Revenues and Operating Transfers:							
General Revenues							
Taxes:							
Property					213,729	--	213,729
Franchise					136,766	--	136,766
Sales					876,276	--	876,276
Intergovernmental - Federal					3,992,677	--	3,992,677
Intergovernmental - State					12,988	--	12,988
Miscellaneous					133,126	--	133,126
Gaming					187,269	--	187,269
Interest Income					87,783	6,675	94,458
Operating Transfers					187,582	(187,582)	--
Total General Revenues and Operating Transfers					5,828,196	(180,907)	5,647,289
Change in Net Position					3,870,215	(137,342)	3,732,873
Net Position at Beginning of Period					8,088,723	2,538,877	10,627,600
Net Position at End of Period					\$ 11,958,938	\$ 2,401,535	\$ 14,360,473

See accompanying notes.

FUND FINANCIAL STATEMENTS (FFS)

MAJOR FUND DESCRIPTIONS

General Fund

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

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Sales Tax Fund

To account for the receipt and use of proceeds of the Town's restricted sales and use taxes.

Gaming Fund

To account for the receipt and expenditure of funds in accordance with the compact agreement with the Coushatta Tribe of Louisiana.

HUD Fund

To account for the receipt and expenditure of federal financial assistance for low-income housing.

DMV Fund

To account for the receipt and expenditure of funds collected on transactions with the state motor vehicle department.

Louisiana Community Development Block Grant Fund

To account for the receipt and expenditure of funds collected from a federal program to be used to pay a contractor to renovate the Town's wastewater treatment plant.

Debt Service Fund

Sales Tax Bond Sinking Fund

To account for the accumulation of resources for and the payment of bond principal, interest, and related costs. It is funded by sales tax revenues.

Enterprise Funds

Water Fund

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

Sewer Fund

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

Gas Fund

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

Town of Kinder, Louisiana
Balance Sheet
Governmental Funds
June 30, 2024

	Special Revenue					Louisiana	Debt Service	
	General	DMV Fund	HUD Fund	Gaming Fund	Sales Tax Fund	Community Development Block Grant	Sales Tax Bond Sinking Fund	Total Governmental Funds
ASSETS								
Cash	\$ 170,825	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 170,825
Restricted cash	276,678	15,153	95,581	78,801	588,015	--	463,334	1,517,562
Investments	--	--	--	--	1,660,585	--	--	1,660,585
Taxes receivable	--	--	--	--	143,858	--	--	143,858
Interest receivable	--	--	--	--	358	--	--	358
Other receivable	43,493	--	--	--	--	--	--	43,493
Due from other governments	314,583	--	--	--	--	2,160,803	--	2,475,386
Total Assets	805,579	15,153	95,581	78,801	2,392,816	2,160,803	463,334	6,012,067
DEFERRED OUTFLOWS OF RESOURCES								
Aggregated deferred outflows	--	--	--	--	--	--	--	--
Total Assets and Deferred Outflows of Resources	\$ 805,579	\$ 15,153	\$ 95,581	\$ 78,801	\$ 2,392,816	\$ 2,160,803	\$ 463,334	\$ 6,012,067
LIABILITIES								
Accounts and other accrued payables	\$ 129,843	\$ --	\$ --	\$ --	\$ --	\$ 2,008,890	\$ --	\$ 2,138,733
Due (to) from other funds	1,417	--	--	--	--	--	--	1,417
Total Liabilities	131,260	--	--	--	--	2,008,890	--	2,140,150
DEFERRED INFLOWS OF RESOURCES								
Aggregated deferred inflows	--	--	--	--	--	--	--	--
Total Liabilities and Deferred Inflows of Resources	131,260	--	--	--	--	2,008,890	--	2,140,150
FUND BALANCE								
Restricted	276,678	15,153	95,581	78,801	2,392,816	151,913	463,334	3,474,276
Unassigned	397,641	--	--	--	--	--	--	397,641
Total Fund Balance	674,319	15,153	95,581	78,801	2,392,816	151,913	463,334	3,871,917
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 805,579	\$ 15,153	\$ 95,581	\$ 78,801	\$ 2,392,816	\$ 2,160,803	\$ 463,334	\$ 6,012,067

See accompanying notes.

Town of Kinder, Louisiana
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2024

Total Fund Balance - Governmental Funds	\$ 3,871,917
Accrued interest payable is accrued on Statement of Net Position and expensed on the Statement of Activities. Interest is expensed on a cash basis on the Statement of Revenues, Expenditures, and Changes in Fund Balances.	(2,006)
Compensated absences are expensed as paid in governmental fund statements, expensed as incurred in entity-wide statements, and reflected as liability on Statement of Net Position.	(75,100)
Fixed assets are capitalized in the Statement of Net Position and depreciated in the Statement of Activities. These are expensed when acquired in the Statement of Revenues, Expenditures, and Changes in Fund Balances.	9,549,129
Long-term debt is reflected on Statement of Net Position but not in governmental funds balance sheet.	(652,611)
Net pension liability is reflected on the Statement of Net Position but not in governmental funds balance sheet.	(1,133,589)
Pension-related changes in net pension liability that are only reported in the Statement of Net Position as deferred outflows.	405,028
Pension-related changes in net pension liability that are only reported in the Statement of Net Position as deferred inflows.	(3,830)
Total Net Position - Governmental Activities	\$ <u>11,958,938</u>

See accompanying notes.

Town of Kinder, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue					Debt Service		
	General	DMV Fund	HUD Fund	Gaming Fund	Sales Tax Fund	Louisiana Community Development Block Grant Fund	Sales Tax Bond Sinking Fund	Total Governmental Funds
Revenues								
Taxes	\$ 350,495	\$ --	\$ --	\$ --	\$ 876,276	\$ --	\$ --	\$ 1,226,771
Licenses and permits	156,721	--	--	--	--	--	--	156,721
Intergovernmental	278,692	--	521,439	--	95,000	3,750,000	40,494	4,685,625
Fines and forfeitures	414,151	--	--	--	--	--	--	414,151
Miscellaneous	133,126	--	--	--	--	--	--	133,126
Gaming	--	--	--	187,269	--	--	--	187,269
Special assessments	--	5,362	--	--	--	--	--	5,362
Interest Income	1,868	8	380	337	82,354	--	2,836	87,783
Total Revenues	1,335,053	5,370	521,819	187,606	1,053,630	3,750,000	43,330	6,896,808
Expenditures								
Current:								
General and administrative	697,739	6,000	5,000	--	131,512	--	--	840,251
Streets	187,142	--	--	--	--	--	--	187,142
Police	1,286,026	--	--	--	--	--	--	1,286,026
Section 8 housing	--	--	503,386	--	--	--	--	503,386
Debt Service:								
Principal retirement	--	--	--	--	--	--	15,000	15,000
Interest on long-term debt	--	--	--	--	--	--	2,836	2,836
Capital outlay	64,682	--	--	--	447,250	3,838,390	--	4,350,322
Total Expenditures	2,235,589	6,000	508,386	--	578,762	3,838,390	17,836	7,184,963
Excess of (Deficiency) of Revenues Over (Under) Expenditures	(900,536)	(630)	13,433	187,606	474,868	(88,390)	25,494	(288,155)
Other Financing Sources (Uses)								
Bond proceeds - sales tax bonds	--	--	--	--	--	--	364,449	364,449
Operating transfers	760,529	--	--	(243,319)	(306,682)	240,303	(263,249)	187,582
Net Other Financing Sources (Uses)	760,529	--	--	(243,319)	(306,682)	240,303	101,200	552,031
Net Change in Fund Balance	(140,007)	(630)	13,433	(55,713)	168,186	151,913	126,694	263,876
Fund Balance at Beginning of Period	814,326	15,783	82,148	134,514	2,224,630	--	336,640	3,608,041
Fund Balance at End of Period	\$ 674,319	\$ 15,153	\$ 95,581	\$ 78,801	\$ 2,392,816	\$ 151,913	\$ 463,334	\$ 3,871,917

See accompanying notes.

Town of Kinder, Louisiana
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balance to the Statement of Activities
For the Year Ended June 30, 2024

Total Net Change in Fund Balance - Governmental Funds	\$ 263,876
Fixed assets expensed as capital outlays in governmental fund statements, but capitalized in the Statement of Net Position.	4,350,322
Compensated absences are expensed as paid in governmental fund statements, expensed as incurred in entity-wide statements, and reflected as liability on Statement of Net Position.	3,708
Depreciation expense is reflected in entity-wide statements, but not deducted in the governmental fund statements.	(319,966)
Accrued interest expense is included in Statement of Activities, but only expensed as paid in governmental fund statements.	(696)
Proceeds of long-term debt treated as revenue in the fund level statements, but treated as increases to long-term debt in entity wide statements.	(364,449)
Long-term debt is reflected on Statement of Net Position but not in governmental funds balance sheet.	15,000
Basis in assets disposed of during the year.	(28,430)
Pension expense is based on employer contributions in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balance, but is an actuarially calculated expense on the Statement of Activities.	(73,896)
Non-employer contributions to retirement systems for the benefit of Town employees.	24,746
Changes in Net Position - Governmental Activities	\$ <u>3,870,215</u>

See accompanying notes.

Town of Kinder, Louisiana
Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-Type Activities - Enterprise Funds			
	Sewer Fund	Water Fund	Gas Fund	Total Enterprise Funds
ASSETS				
<i>Current Assets</i>				
Cash	\$ 141,563	\$ 232,766	\$ --	\$ 374,329
Restricted cash	73,673	91,665	114,744	280,082
Investments	--	17,076	34,786	51,862
Accounts receivable	37,789	46,133	60,452	144,374
Total Current Assets	253,025	387,640	209,982	850,647
<i>Noncurrent Assets</i>				
Land	15,300	--	--	15,300
Construction-in-progress	301,830	--	--	301,830
Capital assets, net	4,087,451	666,198	150,901	4,904,550
Total Noncurrent Assets	4,404,581	666,198	150,901	5,221,680
Total Assets	4,657,606	1,053,838	360,883	6,072,327
DEFERRED OUTFLOWS OF RESOURCES				
Aggregated deferred outflows	--	--	--	--
Total Deferred Outflows of Resources	--	--	--	--
LIABILITIES				
<i>Current Liabilities</i>				
Accounts and other accrued payables	1,305	34,654	28,532	64,491
Interest payable	12,524	--	--	12,524
Due within one year	95,000	--	--	95,000
Due (to) from other funds	(8,789)	4,423	2,949	(1,417)
Total Current Liabilities	100,040	39,077	31,481	170,598
<i>Noncurrent Liabilities</i>				
Customer meter deposits	147	82,878	123,531	206,556
Due after one year	3,285,000	--	--	3,285,000
Accrued compensated absences	--	1,753	6,885	8,638
Total Noncurrent Liabilities	3,285,147	84,631	130,416	3,500,194
Total Liabilities	3,385,187	123,708	161,897	3,670,792
DEFERRED INFLOWS OF RESOURCES				
Aggregated deferred inflows	--	--	--	--
Total Deferred Inflows of Resources	--	--	--	--
NET POSITION				
Invested in capital assets, net of related debt	1,012,057	666,198	150,901	1,829,156
Restricted	73,526	8,787	--	82,313
Unrestricted	186,836	255,145	48,085	490,066
Total Net Position	\$ 1,272,419	\$ 930,130	\$ 198,986	\$ 2,401,535

See accompanying notes.

Town of Kinder, Louisiana
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities - Enterprise Funds			
	Sewer Fund	Water Fund	Gas Fund	Total Enterprise Funds
Operating Revenues				
Charges for services	\$ 334,401	\$ 483,772	\$ 638,824	\$ 1,456,997
Total Operating Revenues	334,401	483,772	638,824	1,456,997
Operating Expenses				
Audit fees	--	6,000	6,000	12,000
Contract labor	--	--	6,268	6,268
Depreciation	305,007	51,036	15,614	371,657
Dues	--	365	150	515
Engineering fees	--	8,204	11,246	19,450
Gas and oil	--	--	9,936	9,936
Insurance	--	16,874	27,558	44,432
Materials and supplies	6,091	38,940	16,038	61,069
Miscellaneous	3,035	2,585	1,552	7,172
Office supplies	--	104	3,317	3,421
Salaries	--	41,338	68,648	109,986
Payroll taxes	--	4,725	4,650	9,375
Per diem	--	360	--	360
Postage	--	5,859	6,827	12,686
Professional services	38,351	--	7,628	45,979
Retirement	--	--	1,586	1,586
Repairs and maintenance	1,994	15,761	4,787	22,542
Telephone	--	--	1,220	1,220
Travel	--	2,395	348	2,743
Uniforms	--	--	7,118	7,118
Utilities	16,911	10,236	1,354	28,501
Water and gas purchases	--	259,150	299,198	558,348
Total Operating Expenses	371,389	463,932	501,043	1,336,364
Operating Income (Loss)	(36,988)	19,840	137,781	120,633
Non-Operating Revenues (Expenses)				
Interest income	3,587	1,172	1,916	6,675
Interest expense	(77,068)	--	--	(77,068)
Net Non-Operating Revenues (Expenses)	(73,481)	1,172	1,916	(70,393)
Income Before Operating Transfers	(110,469)	21,012	139,697	50,240
Operating transfers	(3,035)	68,195	(252,742)	(187,582)
Change In Net Position	(113,504)	89,207	(113,045)	(137,342)
Net Position at Beginning of Period	1,385,923	840,923	312,031	2,538,877
Net Position at End of Period	\$ 1,272,419	\$ 930,130	\$ 198,986	\$ 2,401,535

See accompanying notes.

Town of Kinder, Louisiana
Statement of Cash Flows
Proprietary Funds
For The Year Ended June 30, 2024

	Business-Type Activities – Enterprise Funds			
	Water Fund	Sewer Fund	Gas Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 483,845	\$ 332,369	\$ 665,379	\$ 1,481,593
Payments to suppliers	(358,819)	(70,260)	(406,638)	(835,717)
Payments to employees	(44,769)	-	(72,998)	(117,767)
Net cash from operating activities	80,257	262,109	185,743	528,109
CASH FLOWS FROM INVESTING ACTIVITIES:				
Net proceeds (purchase) of investments	(895)	-	(1,808)	(2,703)
Interest earnings	1,172	3,587	1,916	6,675
Net cash from investing activities	277	3,587	108	3,972
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Interest paid on sewer revenue bonds	-	(77,792)	-	(77,792)
Principal paid on sewer revenue bonds	-	(95,000)	-	(95,000)
Purchase of fixed assets	(141,967)	(105,156)	(14,102)	(261,225)
Net cash from capital activities	(141,967)	(277,948)	(14,102)	(434,017)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Operating transfers	68,195	(3,035)	(252,742)	(187,582)
Loans (to)/from other funds	(15,127)	6,639	10,562	2,074
Net cash from non-capital financing activities	53,068	3,604	(242,180)	(185,508)
NET INCREASE (DECREASE) IN CASH	(8,365)	(8,648)	(70,431)	(87,444)
CASH – BEGINNING	332,796	223,884	185,175	741,855
CASH – ENDING	\$ 324,431	\$ 215,236	\$ 114,744	\$ 654,411
Reconciliation of operating income (loss) to net cash from operating activities:				
Operating income (loss)	\$ 19,840	\$ (36,988)	\$ 137,781	\$ 120,633
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:				
Depreciation	51,026	305,007	15,614	371,647
Basis in assets disposed	408	-	408	816
(Increase) decrease in receivables	(1,277)	(2,032)	26,800	23,491
Increase (decrease) in accounts payable	7,616	(3,878)	3,499	7,237
Increase (decrease) in compensated absences	1,294	-	1,886	3,180
Increase (decrease) in customer meter deposits	1,350	-	(245)	1,105
Net cash from operating activities	\$ 80,257	\$ 262,109	\$ 185,743	\$ 528,109

See accompanying notes.

Town of Kinder, Louisiana
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Kinder, Louisiana (the "Town"), was created under the provisions of the Lawrason Act. The purpose of the Town is to provide services to its citizens, which include sewer, water and gas utilities, and police protection. The Town has a board of five elected council members who are compensated. The Town is located in Allen Parish, Louisiana and its population is approximately 2,170. There are approximately 30 employees working for the Town.

1. 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 (municipality), (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 are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. GASB Statement No. 14 established criteria for determining which component units should be considered part of the Town 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. These criteria include:

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

As required by accounting principles generally accepted in the United States of America, these financial statements present the financial data of the Town (the primary government) which has no component units under the above criteria.

2. Basis of Presentation

The accompanying basic financial statements have been prepared in conformity with governmental accounting principles generally accepted in the United States of America and with GASB Statement 34, "Basic Financial Statements and Management's Discussion and Analysis-for State and Local Governments", issued in June 1999, except that management has elected to omit the otherwise required Management's Discussion and Analysis.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Town as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and

Town of Kinder, Louisiana
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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

Fund Financial Statements

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

The Town reports the following major funds:

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

The DMV Fund is used to account for the receipt and expenditure of funds collected on transactions with the state motor vehicle department.

The Gaming Fund is used to account for the receipt and expenditure of funds in accordance with the compact agreement with the Coushatta Tribe of Louisiana.

The HUD Fund is used to account for the receipt and expenditure of federal financial assistance for low-income housing.

The Sales Tax Fund is used to account for the receipt and use of proceeds of the Town's restricted sales and use taxes.

The Louisiana Community Development Block Grant Fund is used to account for the receipt and expenditure of funds collected from a federal program to be used to pay a contractor to renovate the Town's wastewater treatment plant.

The Sales Tax Bond Sinking Fund is used to account for the accumulation of resources for and the payment of bond principal, interest, and related costs. It is funded by sales tax revenues.

The Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed

Town of Kinder, Louisiana
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

or recovered primarily through user charges that are reported as program revenues; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All other revenues and expenses are reported as non-operating revenues and expenses. The Town enterprise funds account for water, sewer, and gas services.

3. Measurement Focus/Basis of Accounting

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

Measurement Focus

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

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

Basis of Accounting

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

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

Town of Kinder, Louisiana
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

The proprietary funds utilize the accrual basis of accounting, under which revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used. The Town applies all applicable FASB pronouncements in accounting and reporting for its proprietary funds.

4. Budgets and Budgetary Accounting

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

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

The Town Council holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated. Any changes in the revenue estimates must be approved by a majority vote of the Town council. Expenditures may not legally exceed budgeted appropriations at the activity level.

The original budget and one amendment during the year are reflected in the budgetary comparison schedules.

5. Cash and Investments

Deposits include amounts in demand deposits, interest-bearing demand deposits, and time deposits.

State statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. government agencies, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having an office in the State of Louisiana, as stipulated in La. R.S. 33:2955, or any other federally insured investment.

As of June 30, 2024, the Town had deposits (book balances) totaling \$2,342,798. These deposits are stated at cost, which approximates market. Custodial credit risk is the risk that, in the event of bank failure, the Town's deposits may not be returned. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance, or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must always equal or exceed 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. On June 30, 2024, the Town has \$2,258,076 in deposits (collected bank balances). These deposits are secured from custodial credit risk by \$614,887 of federal deposit insurance and \$1,643,189 of pledged securities held by the custodial banks in the name of the fiscal agent banks or letters of credit from Federal Home Loan Bank.

Local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a nonprofit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. LAMP is governed by a board of directors comprising the State Treasurer, representatives from various organizations of local government, the Government Finance Officers Association of Louisiana, and the Society of Louisiana CPA's. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term high-quality investments. LAMP is not registered with the SEC as an investment company. LAMP's annual financial statements can be obtained from the Louisiana Legislative Auditor's website.

Town of Kinder, Louisiana
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar-weighted-average portfolio maturity of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

The LAMP investments totaled \$794,404 on June 30, 2024. In accordance with GASB Codification Section 150.126, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in the pool of funds (LAMP is a 2a7-like investment pool) and therefore not evidenced by securities that exist in physical or book entry form. Also, pooled investments are excluded from the concentration of credit risk 5 percent disclosure requirement and foreign currency risk is not applicable to 2a7-like pools.

On June 30, 2024, the weighted-average maturity cannot exceed 90 days. The weighted-average maturity for LAMP's total investments was 18 days as of June 30, 2024. LAMP is rated AAAM by Standard & Poors.

The Town uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures of investments in debt and equity securities that are classified as available-for-sale on a recurring basis. FASB ASC 820-10 defines fair value, establishes a consistent framework for measuring fair value, and expands disclosure requirements for fair value measurements. FASB ASC 820-10 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Town can access at the measurement date.

Level 2 inputs are quoted prices (unadjusted) other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

Town of Kinder, Louisiana
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis on June 30, 2024 are as follows:

		Quoted Price in Active Markets Identical Assets Level 1	Significant Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Cost
	<u>Fair Value</u>				
Investments subject to categorization:					
Mutual funds	\$ 318,198	\$ 318,198	\$ -	\$ -	\$ 374,765
US treasury notes	<u>599,845</u>	<u>599,845</u>	<u>-</u>	<u>-</u>	<u>658,362</u>
Total	\$ 918,043	\$ <u>918,043</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,033,127</u>
Investments not subject to categorization:					
LAMP	<u>794,404</u>				
Total Investments	\$ <u>1,712,447</u>				

		Maturity			Credit Rating (Standard and Poor's)
Type of Debt Investment	<u>Fair Value</u>	Less than 1 Year	1 to 5 Years	6 to 10 Years	
Investments subject to categorization:					
Mutual funds	\$ 318,198	318,198	\$ -	\$ -	A+
US treasury notes	<u>599,845</u>	<u>599,845</u>	<u>-</u>	<u>-</u>	AA+
Total	\$ <u>918,043</u>	\$ <u>918,043</u>	\$ <u>-</u>	<u>-</u>	

The funds have interest reported net of the change in fair market value of the associated investments as follows:

	Accrual Interest Income	(Decrease) Increase in FMV	Reported Interest Income
General fund	\$ 1,868	\$ -	\$ 1,868
Sales tax fund	63,570	18,784	82,354
Gaming fund	337	-	337
HUD fund	380	-	380
DMV fund	8	-	8
Sales tax bond sinking fund	2,836	-	2,836
Gas fund	1,760	156	1,916
Sewer fund	3,587	-	3,587
Water fund	<u>1,042</u>	<u>130</u>	<u>1,172</u>
Total	\$ <u>75,388</u>	\$ <u>19,070</u>	\$ <u>94,458</u>

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

Town of Kinder, Louisiana
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

Credit Rate Risk: The Town's policy states that cash and investment decisions should not incur unreasonable risks in order to obtain current investment income and requires the overall quality rating to be no lower than AA- as measured by Standard & Poor's or the equivalent rating (Aa3) by Moody's Investor Service.

Concentration of Credit Risk: The Town's investment portfolio consisted of 19% mutual funds, 35% US treasury notes, and 46% in LAMP.

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

7. Interfund Receivables/Payables

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

8. Accounts Receivable

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

There appears to be a concentration of credit risk in general accounts receivable and more specifically, accounts receivable for gas, water and sewer user fees in the enterprise funds. The Town's ability to collect the amounts due from the users of the Town's gas, water and sewer systems and others (as reflected on the financial statements) may be affected by significant economic fluctuations, natural disaster, or other calamity in this one concentrated geographic location.

9. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town maintains a threshold level of \$1,500 or more for capitalization of asset purchases.

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

Buildings	20-50 years
Equipment and furniture	3-40 years
Water, sewer, and gas systems	20-66 years
Infrastructure	25-50 years

Town of Kinder, Louisiana
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

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

9. Statement of Cash Flows

For the statement of cash flows for the proprietary funds, the Town considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. Investments with a maturity of more than three months are considered non-cash equivalents. The statement reflects ending cash and cash equivalents of \$654,411 which represents unrestricted and restricted amounts of \$374,329 and \$280,082, respectively. The cash and certificates of deposit are broken down further as follows:

	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Gas Fund</u>	<u>Totals</u>
Cash and cash equivalents-Unrestricted	\$ 141,563	\$ 232,766	\$ -	\$ 374,329
Cash and cash equivalents-Restricted	<u>73,673</u>	<u>91,665</u>	<u>114,744</u>	<u>280,082</u>
Total cash per the statement of cash flows	<u>\$ 215,236</u>	<u>\$ 324,431</u>	<u>\$ 114,744</u>	<u>\$ 654,411</u>

10. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as a long-term liability on the statement of net position but not on the fund balance sheet. No expenditure is reported for these amounts in the fund financial statements. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. In accordance with generally accepted accounting principles, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits for police personnel that the Town estimates will be taken as "terminal leave" prior to retirement.

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

Employees of the Town receive 80 hours to 200 hours of vacation leave each year, depending on their length of service. Upon termination, the employee is entitled to any unused vacation leave. In addition, employees may accumulate up to 240 hours of sick leave. Only police employees retiring at or after age 65 are entitled to any unused sick leave.

On June 30, 2024, employees of the Town have accumulated \$83,738 in leave privileges.

11. Long-Term Debt

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

Town of Kinder, Louisiana
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of sewer revenue refunding bonds and sales tax bonds.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

12. Equity Classification

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

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. *Restricted net position* – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - Consists of all other net position that does not meet the definition of a or b above.

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the Town's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

In the fund statements, governmental fund equity is classified as fund balance and is further classified as follows:

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used for specific purposes determined by a formal action of the Mayor and Council. They are the highest level of decision-making authority for the Town. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Mayor and Council.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are *intended to be used for specific purposes*. Under the Town's adopted policy, only the Mayor and Council members may assign amounts for specific purposes.

Town of Kinder, Louisiana
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

- e. Unassigned – includes positive fund balance within the general fund which has not been classified with the above-mentioned categories and when applicable, negative fund balances in other governmental funds.

The Town's policy is to use restricted fund balances first unless prohibited by legal or contractual provisions, and then use less restrictive classifications - committed, assigned, and lastly unassigned amounts of fund balance in that order when expenditures are made.

13. Interfund Transactions

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

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

14. Sales Taxes

1% Sales Tax

Proceeds of the 1% sales and use tax levied by the Town are dedicated to the following purposes:

- 1. 75% to be used for capital improvements; and
- 2. 25% to be used for capital improvements and/or repairs and maintenance.

The tax does not expire.

0.3% Sales Tax

Proceeds of the 0.3% sales and use tax levied by the Town are dedicated to the following purposes:

- 1. 90% to be used for operating and maintaining the Town's sewerage system; and
- 2. 10% to be used for operating and maintaining the Town's library.

The tax expires on December 31, 2027.

15. Use of Estimates

The preparation of the 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.

Town of Kinder, Louisiana
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

16. Revenues, Expenditures, and Expenses

Program Revenues

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

Revenues

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

Expenditures/expenses

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

Other Financing Sources (Uses)

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

17. Environmental Remediation Costs

The Town accrues for losses associated with environmental remediation obligations when such losses are probable and reasonably estimable. Accruals for estimated losses from environmental remediation obligations generally are recognized no later than completion of the remedial feasibility study. Such accruals are adjusted as further information develops or circumstances change. Costs of future expenditures for environmental remediation obligations are not discounted to their present value.

18. Subsequent Events

Management has evaluated subsequent events through December 30, 2024, the date the financial statements were issued.

19. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Police Employees Retirement System (MPERS) and additions to/deductions from MPERS's fiduciary net position have been determined on the same basis as they are reported by MPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Town of Kinder, Louisiana
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

20. Deferred outflows/inflows of resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

NOTE B - PROPERTY TAXES

For the year ended June 30, 2024, taxes of 14.68 mills were levied on property with assessed valuations totaling \$15,194,240 and were dedicated as follows:

General corporate purposes	14.68 mills
Total property taxes levied were \$223,051.	

Property tax millage rates are adopted in July for the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before November 15th of the current year and become delinquent after December 31. Property taxes not paid by the end of February are subject to lien.

NOTE C - RECEIVABLES

The following is a summary of receivables for June 30, 2024:

<u>Class of Receivable:</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>
Taxes:		
Sales and use	\$ 143,858	\$ -
Intergovernmental	2,475,386	-
Interest	358	-
Charges for services	-	144,374
Other	<u>43,493</u>	<u>-</u>
Total	<u>\$ 2,663,095</u>	<u>\$ 144,374</u>

Town of Kinder, Louisiana
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

Note D – CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2024 follows:

	Beginning of Year	Additions	Deletions	End of Year
Governmental Activities:				
Land	\$ 265,511	\$ -	\$ -	\$ 265,511
Buildings	2,917,926	88,989	-	3,006,915
Construction - in - progress				
- sewer system	-	4,003,030	-	4,003,030
Equipment and furniture	1,465,203	245,321	159,939	1,550,585
Infrastructure	<u>4,853,541</u>	<u>12,982</u>	<u>-</u>	<u>4,866,523</u>
Totals at historical cost	9,502,181	4,350,322	159,939	13,692,564
Less accumulated depreciation for:				
Buildings	1,364,446	70,373	-	1,434,819
Equipment and furniture	1,012,441	116,520	131,509	997,452
Infrastructure	<u>1,578,091</u>	<u>133,073</u>	<u>-</u>	<u>1,711,164</u>
Total accumulated depreciation	<u>3,954,978</u>	<u>319,966</u>	<u>131,509</u>	<u>4,143,435</u>
Governmental Activities				
Capital Assets, net	<u>\$ 5,547,203</u>	<u>\$ 4,030,356</u>	<u>\$ 28,430</u>	<u>\$ 9,549,129</u>
Business-Type Activities:				
Land	\$ 15,300	\$ -	\$ -	\$ 15,300
Construction - in - progress				
-sewer system	301,830	-	-	301,830
Water system	2,348,557	141,977	14,054	2,476,480
Sewer system	11,278,374	105,156	5,247	11,378,283
Gas system	<u>805,065</u>	<u>14,102</u>	<u>31,292</u>	<u>787,875</u>
Totals at historical cost	14,749,126	261,235	50,593	14,959,768
Less accumulated depreciation for:				
Water system	1,772,891	51,036	13,646	1,810,281
Sewer system	6,991,072	305,007	5,247	7,290,832
Gas system	<u>652,245</u>	<u>15,614</u>	<u>30,884</u>	<u>636,975</u>
Total accumulated depreciation	<u>9,416,208</u>	<u>371,657</u>	<u>49,777</u>	<u>9,738,088</u>
Business-Type Activities				
Capital Assets, net	<u>\$ 5,332,918</u>	<u>\$ (110,422)</u>	<u>\$ 816</u>	<u>\$ 5,221,680</u>

Depreciation expense for the year ended June 30, 2024 was \$319,966 and \$371,657 for the governmental activities and the business-type activities, respectively.

Depreciation expense was charged to governmental activities as follows:

General and administrative	\$ 84,934
Streets	169,162
Police	<u>65,870</u>
	<u>\$ 319,966</u>

Town of Kinder, Louisiana
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

The construction in progress on the waste-water treatment plant in the sewer fund and a governmental fund was ongoing during the fiscal year with \$3,838,390, \$158,522, and \$6,118 spent on contractor costs, engineering fees, and testing, respectively. There is only one project under construction. The project is expected to cost about \$4.7 million. This project will be primarily funded by a federal grant totaling about \$4.03 million, with the remainder being funded by a federal loan.

NOTE E - ACCOUNTS PAYABLE

The following is a summary of payables at June 30, 2024:

<u>Class of Payable:</u>	<u>Governmental Activities Funds</u>	<u>Business-Type Activities Funds</u>
Accounts Payable - Trade	\$ 76,540	\$ 61,390
Accrued Salaries Payable	17,683	2,829
Construction Contractor Payable	1,816,970	-
Construction Contractor Retainage Payable	191,920	-
Intergovernmental Payable	6,187	272
Payroll Liabilities	18,422	-
Retirement Payable	<u>11,011</u>	<u>-</u>
Total	<u>\$2,138,733</u>	<u>\$ 64,491</u>

NOTE F - PENSION PLAN

All employees of the Town are members of the federal social security system.

Police officers of the Town are eligible to participate in the Municipal Police Employees Retirement System of Louisiana (System or MPERS). This system is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Pertinent information relative to the plan follows:

Municipal Police Employees Retirement System of Louisiana

Plan Description. Membership in the System is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, provided he or she does not have to pay social security and provided he or she meets the statutory criteria. The System provides retirement benefits for municipal police officers. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Membership Prior to January 1, 2013:

A member is eligible for regular retirement after he/she has been a member of the System and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years creditable service and is age 55. A member is eligible for early retirement after he/she has been a member of the System for 20 years of creditable service at any age with an actuarially reduced benefit. Benefit rates are 3½% of average final compensation (average monthly earnings during the highest 36 consecutive

Town of Kinder, Louisiana
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary. Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from 40% to 60% of the member's average final compensation for the surviving spouse. In addition, each child under age 18 receives benefits equal to 10% of the member's average final compensation or \$200 per month, whichever is greater.

Membership Commencing January 1, 2013:

Member eligibility for regular retirement, early retirement, disability, and survivor benefits is based on Hazardous Duty and Non-Hazardous Duty sub-plans. Under the Hazardous Duty sub-plan, a member is eligible for regular retirement after he/she has been a member of the System and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non-Hazardous Duty sub-plan, a member is eligible for regular retirement after he/she has been a member of the System and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub-plans, a member is eligible for early retirement after he/she has been a member of the System for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55. Under the Hazardous and Non-Hazardous Duty sub-plans, the benefit rates are 3% and 2½%, 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. Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from 25% to 55% of the member's average final compensation for the surviving spouse. In addition, each child under age 18 receives 10% of average final compensation or \$200 per month whichever is greater. If a deceased member had less than 10 years of service, the beneficiary will receive a refund of employee contributions only.

Cost-of-Living Adjustments: The Board of Trustees is authorized to provide annual cost-of-living adjustments (COLA) computed on the amount of the current regular retirement, disability, beneficiary, or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors, and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility. No regular retiree, survivor or beneficiary shall be eligible to receive a COLA until benefits have been received at least one full fiscal year and the payment of such COLA, when authorized, shall not be effective until the lapse of at least one-half of the fiscal year. Members who elect early retirement are not eligible for a COLA until they reach regular retirement age. A COLA may only be granted if funds are available from interest earnings more than normal requirements, as determined by the actuary.

Deferred Retirement Option Plan: A member is eligible to elect to enter the deferred retirement option plan (DROP) when he/she is eligible for regular retirement based on the member's sub-plan participation. Upon filing the application for the program, the employee's active membership in the MPERS is terminated. At the entry date into the DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at the date of application. The duration of participation in the DROP is 36 months or less. If employment is terminated after the three-year period, the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership into the MPERS shall resume and upon later termination, the member shall receive as additional retirement benefit based on the additional service. For those eligible to enter DROP prior to January 1, 2004, DROP accounts shall earn interest after the termination of DROP participation at a rate of half of one percentage point below the percentage rate of return of the MPERS's investment portfolio as certified by the actuary on an annual basis but will never lose money. For those eligible to enter DROP after January 1, 2004, an irrevocable election is made to earn interest based on the MPERS's investment portfolio return or a money market investment return. This could

Town of Kinder, Louisiana
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

result in a negative earnings rate being applied to the account. If the member elects a money market investment return, the funds are transferred to a government money market account and earn interest at the money market rate.

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

The MPERS issues an annual publicly available financial report that includes financial statements and required supplementary information for the MPERS. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 7722 Office Park Boulevard, Suite 200, Baton Rouge, Louisiana 70809-7601, or by calling (225) 929-7411 or on the internet at www.lampers.org.

Funding Policy. Plan members are required by state statute to contribute 10% of their annual covered salary and the Town is required to contribute at an actuarially determined rate. As provided by La. R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. For the fiscal year ended June 30, 2024, the required rate is 33.925% of annual covered payroll. The Town's contributions to the MPERS for the years ending June 30, 2024, 2023, and 2022 were \$132,768, \$109,584 and \$96,253, respectively. These amounts are equal to the required contributions for each year. The amount payable for legally required contributions by the Town on June 30, 2024 was \$11,011.

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

On June 30, 2024, the Town reported a liability of \$1,133,589 for its proportionate share of net pension liability (NPL). The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities, actuarially determined. On June 30, 2023, the Town's proportion was 0.107297%, which was an increase of 0.002494% from its proportion measured as of June 30, 2022. The Town's proportionate share of revenue recognized for non-employer pension contributions to the plan was \$24,746 through the measurement date.

For the year ended June 30, 2024, the Town recognized pension expense of \$206,663. On June 30, 2024, the Town recognized deferred outflows of resources and deferred inflows of resources related to pensions from the following:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 79,850	\$ 475
Net difference between projected and actual earnings on pension plan investments	122,378	-
Changes of assumptions	18,916	-
Changes in proportion of beginning NPL	51,116	-
Differences between Town contributions and proportionate share of contributions	-	3,355
Town contributions after the measurement date	<u>132,768</u>	<u>-</u>
Totals	<u>\$ 405,028</u>	<u>\$ 3,830</u>

Town of Kinder, Louisiana
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

The \$132,768 reported as deferred outflows of resources related to pensions resulting from the Town contributions after the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2025	\$ 94,757
2026	53,683
2027	126,074
2028	(6,084)
2029	-
Thereafter	-
Total	<u>\$ 268,430</u>

Actuarial assumptions. The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal Cost	
Investment Rate of Return	6.75%, net of investment expense	
Expected Remaining Service Lives	4 years	
Inflation rate	2.5%	
Salary increases, including inflation and merit	<u>Years of Service</u>	<u>Salary Growth Rate</u>
	1-2	12.30%
	Above 2	4.70%

Mortality For annuitants and beneficiaries, the Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale.

For disabled lives, the Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 105% for males and 125% for females, each with full generational projection using the MP2019 scale.

For employees, the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale.

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.

Mortality Rate. 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, 2014 through June 30, 2019 and review of similar law enforcement mortality. A change was made to full generational mortality which combines the use of base mortality table with appropriate mortality improvement scales. To set the base mortality table, actual plan mortality experience was assigned a credibility weighting and combined with a standard table to produce current levels of mortality.

Town of Kinder, Louisiana
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

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, 2023 (the measurement date) 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	52.00%	3.29%
Fixed Income	34.00%	1.12%
Alternative	14.00%	0.95%
Totals	100.00%	5.36%
Inflation		2.54%
Expected Arithmetic Return		7.90%

Discount rate. The discount rate used to measure the total pension liability was 6.750%. 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 MPERS's actuary. Based on those assumptions, the MPERS's fiduciary net position was projected to be available to make all projected future benefit payments of the 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 of the Town's proportionate share of pension liability to changes in the discount rate. The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.750% as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.750%) and one percentage point higher (7.750%) than the current rate as of June 30, 2023:

	1% Decrease 5.750%	Discount Rate 6.750%	1% Increase 7.750%
Town's proportionate share of the net pension liability	\$1,595,050	\$1,133,589	\$748,100

Change in Net Pension Liability: The changes in the net pension liability for the year ended June 30, 2023, were recognized in the current reporting period as pension expense except as follows:

Differences between Expected and Actual Experience:

The differences between expected and actual experience about economic or demographic factors in the measurement of the total pension liability were recognized as pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The differences between expected and actual experience resulted in a deferred outflow of resources in the amount of \$79,850 and a deferred inflow of resources in the amount of \$475 for the year ended June 30, 2024.

Differences between Projected and Actual Investment Earnings:

The differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period.

Town of Kinder, Louisiana
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

The differences between projected and actual investment earnings resulted in a deferred outflow of resources of \$122,378 for the year ended June 30, 2024.

Changes of Assumptions or Other Inputs:

The changes of assumptions about future economic or demographic factors were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The changes of assumptions or other inputs resulted in a deferred outflow of resources in the amount of \$18,916 for the year ended June 30, 2024.

Change in Proportion:

Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. Changes in employer's portion of the beginning net pension liability resulted in a deferred outflow of resources of \$51,116 for the year ended June 30, 2024.

Differences Between Town's Contributions and Proportionate Share of Contributions:

Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. Differences between Town contributions and proportionate share of contributions resulted in a deferred inflow of resources of \$3,355 for the year ended June 30, 2024.

NOTE G - LONG-TERM LIABILITIES

A summary of changes in long-term liabilities for the year ended June 30, 2024 follows:

	<u>Beginning of Year</u>	<u>Issued</u>	<u>Retired</u>	<u>End of Year</u>
Bonds payable	\$ 3,778,162	\$ 364,449	\$ 110,000	\$ 4,032,611
Other liabilities:				
Accrued leave benefits	<u>84,266</u>	<u>-</u>	<u>528</u>	<u>83,738</u>
Long-Term Liabilities	<u>\$ 3,862,428</u>	<u>\$ 364,449</u>	<u>\$ 110,528</u>	<u>\$ 4,116,349</u>

The payments on the sewer revenue bonds will be paid out of the Sales Tax Fund and/or the Sewer Fund. The accrued leave benefits liabilities will be paid by the General Fund. The long-term debt is comprised of the following individual issues:

Accrued Leave Payable-Governmental	\$ 75,100
Accrued Leave Payable-Proprietary	8,638

Utilities Revenue Refunding Bonds Payable-Proprietary:

\$3,660,000 Sewer revenue refunding bonds dated 06/08/2021 due in annual installments of \$90,000 to \$165,000 from 03/01/2022 through 03/01/2051; interest at 1.15% to 3% (secured by utility revenues)	3,380,000
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Taxable Sales Tax Bond Payable-Governmental

\$3,350,000 Sales tax bonds dated 08/26/2021 due in annual installments of \$137,000 to \$164,000 from 08/01/2022 through 08/01/2041; interest at

Town of Kinder, Louisiana
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

0.95% (secured by sales tax revenues)
Total

652,611
\$ 4,116,349

The annual requirements to amortize all revenue and sales tax bonds outstanding at June 30, 2024 are as follows:

<u>Fiscal Year Ending</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Totals</u>
2025	\$ 128,000	\$ 82,638	\$ 210,638
2026	242,000	81,274	323,274
2027	243,000	78,771	321,771
2028	244,000	75,657	319,657
2029	250,000	72,535	322,535
2030-2034	590,611	328,846	919,457
2035-2039	600,000	271,687	871,687
2040-2044	675,000	198,600	873,600
2045-2049	775,000	97,225	872,225
2050-2051	<u>285,000</u>	<u>10,125</u>	<u>295,125</u>
Totals	<u>\$4,032,611</u>	<u>\$1,297,358</u>	<u>\$ 5,329,969</u>

In accordance with La. R.S. 39:562, the Town is legally restricted from incurring long-term bonded debt (payable solely from ad valorem taxes) more than 35% of the assessed value of taxable property in the Town. On June 30, 2024 the statutory limit is \$5,317,984.

NOTE H - COMPONENTS OF RESTRICTED ASSETS

	<u>On Deposit</u>	<u>Required</u>	<u>Over (Under)</u>
Restricted assets consisted of the following at June 30, 2024:			
Cash accounts in general fund primarily by federal grants	\$ 276,678	\$ 276,678	\$ -
Cash account in sales tax bond sinking fund	463,334	214,355	248,979
Utilities refunding bond sinking account	73,673	64,322	9,351
Customer deposits – gas and water and sewer	<u>206,556</u>	<u>206,556</u>	<u>-</u>
Total restricted assets	<u>\$1,020,241</u>	<u>\$761,911</u>	<u>\$258,330</u>

NOTE I - RISK MANAGEMENT

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

NOTE J - CONTINGENCIES

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

Town of Kinder, Louisiana
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE K - TRIBAL STATE COMPACT COMPLIANCE

The \$243,319 in operating transfers out of the gaming fund to the other funds were used entirely for reimbursement of police salaries.

NOTE L - LOCAL SERVICES AGREEMENT

On September 8, 1997 the Town entered into a local services agreement with the Allen Parish Libraries Board of Control, a subdivision of the Allen Parish Police Jury. The purpose was to construct a building in the Town to be used as a public library. The Town agreed to purchase land for the building, construct a building, be responsible for certain repairs, insure the building against loss, provide liability insurance and borrow money to accomplish the purposes of the agreement.

NOTE M - DEFERRED COMPENSATION PLAN

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time employees who have been employed by the Town for 12 consecutive months, permits them to defer a portion of their salaries until future years. The Town will match one-hundred percent (100%) of the employee's contribution to a maximum of five percent (5%) of the employee's salary. The deferred compensation is not available to employees until termination, retirement, or unforeseeable emergency. Deferred compensation is available to employees' beneficiaries in case of death. The amount of deferred compensation reported as expense during the reporting period was \$14,432. The balance due to the plan for both employer and employee contributions at the end of the reporting period was \$0.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the Town (without being restricted to the provisions of benefits under the plan), subject only to the claims of the Town's general creditors. Participants' rights under the plan are equal to those of general creditors of the Town in an amount equal to the fair market value of the deferred account for each participant.

In management's opinion, the Town has no liability for losses under the plan. However, the Town does have the duty of due care that would be required of an ordinary prudent investor. The Town believes it is unlikely that it will use the plan assets to satisfy the claims of general creditors in the future.

NOTE N - ON-BEHALF PAYMENTS FOR SALARIES

The State of Louisiana pays a portion of the salaries of the Town's police officers. These on-behalf payments have been recorded in the accompanying financial statements in accordance with GASB Statement 24 as intergovernmental revenues and expenditures as follows:

Intergovernmental Revenues:

State	<u>\$ 51,600</u>
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Expenditures:

Salaries	<u>\$ 51,600</u>
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Town of Kinder, Louisiana
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE O – OPERATING TRANSFERS

Operating transfers consisted of the following at June 30, 2024:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major funds:		
General Fund	\$ 931,566	\$ 171,037
Sales Tax Fund	557,059	863,741
Gaming Fund	-	243,319
Sales Tax Bond Sinking Fund	141,694	404,943
Louisiana Community Development Block Grant Fund	240,303	-
Water Fund	145,932	77,737
Sewer Fund	281,965	285,000
Gas Fund	<u>22,423</u>	<u>275,165</u>
	<u>\$2,320,942</u>	<u>\$2,320,942</u>

Operating transfers are used to move revenues from the fund that is required by statute or budget to collect them to the fund that is required by statute or budget to expend them. Typically, most of the operating transfers from proprietary funds are made into the General Fund. The Gaming Fund transfers to the General Fund in the amount of \$243,319 are used to cover a portion of police salaries. Operating transfers totaling \$141,694 were transferred from the Sales Tax Fund to the Sales Tax Bond Sinking Fund for debt service payments. The Sales Tax Fund also transferred debt service payments of \$172,883 to the Sewer Fund. The interfund balances result from the credit/debit card collections by the Water Fund that belong to the Gas and Sewer Funds that have not been transferred by the end of each month. Also, the interfund balances result from the payment of payroll in the General Fund that is subsequently reimbursed by the Gas and Water Funds.

NOTE P – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 30, 2024, the date the financial statements were issued.

REQUIRED SUPPLEMENTARY INFORMATION

Town of Kinder, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
General Fund
For the Year Ended June 30, 2024

	Budgeted Amounts			Variance Favorable (Unfavorable) Final to Actual
	Original	Final	Actual	
Revenues				
Ad valorem	\$ 200,000	\$ 207,930	\$ 213,729	\$ 5,799
Public utility franchise	135,000	140,000	136,766	(3,234)
Licenses	136,000	142,000	150,591	8,591
Permits	11,700	8,255	6,130	(2,125)
Beer tax	8,000	7,035	6,608	(427)
Grant	77,500	84,175	272,084	187,909
Court fines	433,300	402,900	383,032	(19,868)
Police special	30,000	30,000	31,119	1,119
Interest	700	1,800	1,868	68
Miscellaneous	55,350	131,545	133,126	1,581
Total Revenues	1,087,550	1,155,640	1,335,053	179,413
Expenditures				
Current:				
Advertising - notices	5,000	3,500	3,477	23
Audit fees	6,000	6,000	6,000	--
Auto allowance - dog catcher	1,560	1,560	1,620	(60)
Care of prisoners	8,500	6,000	6,208	(208)
Contract labor	10,000	1,000	1,440	(440)
Dues	3,330	5,415	5,126	289
Engineering fees	10,000	3,000	715	2,285
Gas and oil	42,020	37,500	40,567	(3,067)
Insurance	377,850	406,060	420,628	(14,568)
Materials and supplies	42,000	32,500	38,383	(5,883)
Miscellaneous	73,580	27,295	37,769	(10,474)
Office supplies	4,500	7,500	8,456	(956)
Payroll taxes	85,402	83,740	84,985	(1,245)
Per diem	3,000	1,155	1,382	(227)
Postage	4,500	3,600	2,082	1,518
Professional services	13,500	13,595	14,519	(924)
Repairs and maintenance	69,060	635,985	122,228	513,757
Retirement	136,070	137,090	143,133	(6,043)
Salaries	1,035,545	1,029,405	1,113,120	(83,715)
Salaries - dog catcher	14,690	14,690	15,255	(565)
Street lights	44,200	44,200	44,173	27
Telephone	18,000	17,000	20,372	(3,372)
Travel	5,500	5,830	6,375	(545)
Uniforms	6,000	2,000	1,245	755
Utilities	37,700	35,800	31,649	4,151
Capital outlays	50,000	24,000	64,682	(40,682)
Total Expenditures	2,107,507	2,585,420	2,235,589	349,831
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,019,957)	(1,429,780)	(900,536)	529,244
Other Financing Sources (Uses)				
Operating transfers	500,000	860,000	760,529	(99,471)
Total Other Financing Sources (Uses)	500,000	860,000	760,529	(99,471)
Net Change in Fund Balance	(519,957)	(569,780)	(140,007)	429,773
Fund Balance at Beginning of Period	814,326	814,326	814,326	--
Fund Balance at End of Period	\$ 294,369	\$ 244,546	\$ 674,319	\$ 429,773

See accompanying notes.

Town of Kinder, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
DMV Fund
For the Year Ended June 30, 2024

	Budgeted Amounts			Variance Favorable (Unfavorable) Final to Actual
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Interest	\$ 10	\$ 10	\$ 8	\$ (2)
Special assessments	4,700	5,000	5,362	362
Total Revenues	<u>4,710</u>	<u>5,010</u>	<u>5,370</u>	<u>360</u>
Expenditures				
Current:				
Miscellaneous	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>--</u>
Total Expenditures	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>--</u>
Net Change in Fund Balance	(1,290)	(990)	(630)	360
<i>Fund Balance at Beginning of Period</i>	<u>15,783</u>	<u>15,783</u>	<u>15,783</u>	<u>--</u>
Fund Balance at End of Period	<u>\$ 14,493</u>	<u>\$ 14,793</u>	<u>\$ 15,153</u>	<u>\$ 360</u>

See accompanying notes.

Town of Kinder, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Gaming Fund
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>			Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final to Actual</u>
Revenues				
Interest	\$ 250	\$ 315	\$ 337	\$ 22
Gaming	167,950	187,270	187,269	(1)
Total Revenues	168,200	187,585	187,606	21
Expenditures				
Total Expenditures	--	--	--	--
Excess (Deficiency) of Revenues Over (Under) Expenditures	168,200	187,585	187,606	21
Other Financing Sources (Uses)				
Operating Transfers	--	--	(243,319)	(243,319)
Total Other Financing Sources (Uses)	--	--	(243,319)	(243,319)
Net Change in Fund Balance	168,200	187,585	(55,713)	(243,298)
Fund Balance at Beginning of Period	134,514	134,514	134,514	--
Fund Balance at End of Period	<u>\$ 302,714</u>	<u>\$ 322,099</u>	<u>\$ 78,801</u>	<u>\$ (243,298)</u>

See accompanying notes.

Town of Kinder, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
HUD Fund
For the Year Ended June 30, 2024

	Budgeted Amounts			Variance Favorable (Unfavorable) Final to Actual
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Grant	\$ 310,000	\$ 502,980	\$ 521,439	\$ 18,459
Interest	350	350	380	30
Total Revenues	<u>310,350</u>	<u>503,330</u>	<u>521,819</u>	<u>18,489</u>
Expenditures				
Miscellaneous	5,000	5,000	5,000	—
Section 8 housing	<u>300,000</u>	<u>504,820</u>	<u>503,386</u>	<u>1,434</u>
Total Expenditures	<u>305,000</u>	<u>509,820</u>	<u>508,386</u>	<u>1,434</u>
Net Change in Fund Balance	5,350	(6,490)	13,433	19,923
<i>Fund Balance at Beginning of Period</i>	<u>82,148</u>	<u>82,148</u>	<u>82,148</u>	<u>—</u>
Fund Balance at End of Period	<u><u>\$ 87,498</u></u>	<u><u>\$ 75,658</u></u>	<u><u>\$ 95,581</u></u>	<u><u>\$ 19,923</u></u>

See accompanying notes.

Town of Kinder, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Louisiana Community Development Block Grant Fund
For the Year Ended June 30, 2024

	Budgeted Amounts			Variance Favorable (Unfavorable) Final to Actual
	Original	Final	Actual	
Revenues				
Grant	\$ 1,589,195	\$ 1,589,195	\$ 3,750,000	\$ 2,160,805
Total Revenues	<u>1,589,195</u>	<u>1,589,195</u>	<u>3,750,000</u>	<u>2,160,805</u>
Expenditures				
Capital outlays	1,765,700	1,765,700	3,838,390	(2,072,690)
Total Expenditures	<u>1,765,700</u>	<u>1,765,700</u>	<u>3,838,390</u>	<u>(2,072,690)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(176,505)	(176,505)	(88,390)	88,115
Other Financing Sources (Uses)				
Bond proceeds	144,665	144,665	--	(144,665)
Operating transfers	--	--	240,303	240,303
Total Other Financing Sources (Uses)	<u>144,665</u>	<u>144,665</u>	<u>240,303</u>	<u>95,638</u>
Financing Sources				
Net Change in Fund Balance	(31,840)	(31,840)	151,913	183,753
Fund Balance at Beginning of Period	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balance at End of Period	<u><u>\$ (31,840)</u></u>	<u><u>\$ (31,840)</u></u>	<u><u>\$ 151,913</u></u>	<u><u>\$ 183,753</u></u>

See accompanying notes.

Town of Kinder, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Sales Tax Fund
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>			Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final to Actual</u>
Revenues				
Grant	\$ 95,000	\$ 90,745	\$ 95,000	\$ 4,255
Interest	1,000	32,000	82,354	50,354
Sales taxes	891,000	860,000	894,131	34,131
Less: collection fees	--	--	(17,855)	(17,855)
Total Revenues	<u>987,000</u>	<u>982,745</u>	<u>1,053,630</u>	<u>70,885</u>
Expenditures				
Current:				
Audit fees	15,500	21,500	21,500	--
Engineering fees	20,000	165,000	5,393	159,607
Materials and supplies	3,000	3,500	3,789	(289)
Miscellaneous	95,000	95,000	--	95,000
Professional services	4,000	10,000	3,360	6,640
Repairs and maintenance	73,610	98,835	97,470	1,365
Debt service:				
Principal retirement	174,340	139,050	--	139,050
Interest	77,885	77,795	--	77,795
Capital outlays	<u>87,000</u>	<u>499,895</u>	<u>447,250</u>	<u>52,645</u>
Total Expenditures	<u>550,335</u>	<u>1,110,575</u>	<u>578,762</u>	<u>531,813</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	436,665	(127,830)	474,868	602,698
Other Financing Sources (Uses)				
Operating transfers	<u>(300,000)</u>	<u>(640,000)</u>	<u>(306,682)</u>	<u>333,318</u>
Total Other Financing Sources (Uses)	<u>(300,000)</u>	<u>(640,000)</u>	<u>(306,682)</u>	<u>333,318</u>
Net Change in Fund Balance	136,665	(767,830)	168,186	936,016
Fund Balance at Beginning of Period	<u>2,224,630</u>	<u>2,224,630</u>	<u>2,224,630</u>	<u>--</u>
Fund Balance at End of Period	<u><u>\$ 2,361,295</u></u>	<u><u>\$ 1,456,800</u></u>	<u><u>\$ 2,392,816</u></u>	<u><u>\$ 936,016</u></u>

See accompanying notes.

**Town of Kinder, Louisiana
General Fund
Departmental Expenditures –
Budgetary Comparison Schedules
For The Year Ended June 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance Favorable (Unfavorable) <u>Final to Actual</u>
	<u>Original</u>	<u>Final</u>		
GENERAL AND ADMINISTRATIVE				
Advertising - notices	\$ 5,000	\$ 3,500	\$ 3,477	\$ 23
Audit fees	6,000	6,000	6,000	-
Dues	3,000	3,000	2,710	290
Engineering fees	10,000	3,000	715	2,285
Gas and oil	3,020	2,000	1,522	478
Insurance	244,150	266,655	183,810	82,845
Material and supplies	10,000	6,500	6,705	(205)
Miscellaneous	60,780	11,170	17,820	(6,650)
Office supplies	3,000	6,000	6,996	(996)
Payroll taxes	25,135	23,405	22,729	676
Per diem	1,000	870	869	1
Postage	3,900	3,000	1,542	1,458
Professional services	3,500	10,095	10,746	(651)
Repairs and maintenance	28,610	40,435	61,530	(21,095)
Retirement	3,500	3,550	3,507	43
Salaries	295,324	295,325	330,662	(35,337)
Telephone	8,500	7,800	8,918	(1,118)
Travel	3,000	4,450	4,472	(22)
Utilities	25,300	25,300	23,009	2,291
TOTAL GENERAL AND ADMINISTRATIVE	\$ 742,719	\$ 722,055	\$ 697,739	\$ 24,316
STREET DEPARTMENT				
Care of prisoners	\$ 3,000	\$ 1,500	\$ 1,029	\$ 471
Contract labor	10,000	1,000	1,440	(440)
Gas and oil	13,000	8,500	9,042	(542)
Insurance	12,400	13,170	13,922	(752)
Materials and supplies	20,000	16,000	18,295	(2,295)
Miscellaneous	8,800	4,825	5,575	(750)
Payroll taxes	4,757	4,825	5,025	(200)
Repairs and maintenance	5,000	560,120	23,019	537,101
Retirement	1,300	1,335	1,334	1
Salaries	55,020	55,120	62,728	(7,608)
Street lights	44,200	44,200	44,173	27
Utilities	2,500	2,000	1,560	440
TOTAL STREET DEPARTMENT	\$ 179,977	\$ 712,595	\$ 187,142	\$ 525,453

See accompanying notes.

**Town of Kinder, Louisiana
General Fund
Departmental Expenditures –
Budgetary Comparison Schedules
For The Year Ended June 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance Favorable (Unfavorable) <u>Final to Actual</u>
	<u>Original</u>	<u>Final</u>		
POLICE DEPARTMENT				
Auto allowance – dog catcher	\$ 1,560	\$ 1,560	\$ 1,620	\$ (60)
Care of prisoners	5,500	4,500	5,179	(679)
Dues	330	2,415	2,416	(1)
Gas and oil	26,000	27,000	30,003	(3,003)
Insurance	121,300	126,235	194,854	(68,619)
Insurance - dispatchers	20,900	23,675	28,042	(4,367)
Materials and supplies	12,000	10,000	13,383	(3,383)
Miscellaneous	10,000	11,300	14,374	(3,074)
Office supplies	1,500	1,500	1,460	40
Payroll taxes	55,510	55,510	57,231	(1,721)
Per diem	2,000	285	513	(228)
Postage	600	600	540	60
Professional services	10,000	3,500	3,773	(273)
Repairs and maintenance	34,450	35,430	37,679	(2,249)
Retirement	131,270	132,205	138,292	(6,087)
Salaries	685,101	678,960	719,730	(40,770)
Salaries - dog catcher	14,690	14,690	15,255	(565)
Telephone	9,500	9,200	11,454	(2,254)
Travel	2,500	1,380	1,903	(523)
Uniforms	6,000	2,000	1,245	755
Utilities	9,000	8,500	7,080	1,420
TOTAL POLICE DEPARTMENT	<u>\$ 1,159,711</u>	<u>\$ 1,150,445</u>	<u>\$ 1,286,026</u>	<u>\$ (135,581)</u>

See accompanying notes.

**Town of Kinder, Louisiana
General Fund
Schedule of Town's Proportionate Share of
Net Pension Liability**

Municipal Police Employee Retirement System (MPERS)

Last 10 Fiscal Years

*Fiscal Year Ended June 30:	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Town's proportion of the net pension liability (asset)	.107297%	.104803%	.095342%	.095261%	.091286%	.094927%	.105295%	.111447%	.107780%	.100676%
Town's proportionate share of the net pension liability (asset)	\$1,133,589	\$1,071,273	\$508,225	\$880,434	\$829,030	\$802,519	\$919,270	\$1,044,572	\$844,344	\$629,838
Town's covered-employee payroll	\$350,668	323,538	\$289,326	\$294,626	\$285,076	\$280,144	\$314,339	\$312,185	\$288,305	\$260,940
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	323.27%	331.11%	175.66%	298.83%	290.81%	286.47%	292.45%	334.60%	292.86%	241.37%
Plan fiduciary net position as a percentage of the total pension liability	71.30%	70.80%	84.09%	70.95%	71.01%	71.89%	70.08%	66.04%	70.73%	75.10%

*Amounts presented were determined as of the measurement date.

**Town of Kinder, Louisiana
General Fund
Schedule of Town's Contributions**

Municipal Police Employee Retirement System (MPERS)

Last 10 Fiscal Years

*Fiscal Year Ended June 30:	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$132,768	\$109,584	\$96,253	\$97,648	\$95,626	\$ 91,937	\$ 86,144	\$ 99,803	\$ 92,094	\$ 90,816
Contributions in relation to the contractually required contribution	(132,768)	(109,584)	(96,253)	(97,648)	(95,626)	(91,937)	(86,144)	(99,803)	(92,094)	(90,816)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll	\$391,358	\$350,668	\$323,538	\$289,326	\$294,626	\$285,076	\$280,144	\$314,339	\$312,185	\$288,305
Contribution as a percentage of cover-employee payroll	33.925%	31.25%	29.75%	33.75%	32.50%	32.25%	30.75%	31.75%	29.50%	31.50%

*Amounts presented were determined as of the end of the fiscal year.

Town of Kinder, Louisiana
Notes to Required Supplementary Information
for the Year Ended June 30, 2024

(1) Budget and Budgetary Accounting

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

1. The Town Clerk prepares a proposed budget and presents it to the Mayor and Council prior to ninety days before the beginning of each fiscal year.
2. After the proposed budget is presented to the Mayor and Council, the Mayor publishes the proposed budget and notifies the public that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held by the Mayor and Council on the proposed budget at least ten days after publication of the call for the hearing.
4. Any changes in the proposed annual operating budget require a majority vote of the Mayor and Council.
5. No later than the last regular meeting of the fiscal year, the Mayor and Council adopt the annual operating budget for the ensuing fiscal year.
6. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
7. Budget appropriations lapse at year-end.

(2) Excess of Expenditures Over Appropriations

Formal budgetary integration is employed as a management control device during the year, and encumbrance accounting is not used by the Town. Budgeted amounts included in the accompanying financial statements include the original adopted and final budget amounts. The budget was amended once during the year.

(3) Pension Information

The schedule of the Town's proportionate share of the net pension liability and the schedule of the Town's pension contributions show information for 10 years.

OTHER SUPPLEMENTARY INFORMATION

Town of Kinder, Louisiana
Schedule of Compensation Paid to Mayor and Council Members
For The Year Ended June 30, 2024

DeWees, Maria	\$ 6,427
LaFargue, Wayland – Mayor	31,350
Nevils, Jerry	6,427
Sonnier, Aldyth	6,427
Tunwar, LaToya	6,427
Van Norman, Angela	<u>6,427</u>
Total Compensation Paid to Mayor and Council Members	<u>\$ 63,485</u>

Town of Kinder, Louisiana
Schedule of Compensation, Benefits and Other Payments to
Chief Executive Officer
For The Year Ended June 30, 2024

Chief Executive Officer: Wayland LaFargue, Mayor

<u>Purpose</u>	<u>Amount</u>
Salary	\$31,350
Benefits-insurance	-0-
Benefits-retirement	-0-
Benefits-cell phone	612
Car allowance	-0-
Vehicle provided by government	-0-
Per diem	-0-
Reimbursements	-0-
Travel	-0-
Registration fees	-0-
Conference travel	-0-
Continuing professional education fees	-0-
Housing	-0-
Unvouchered expenses	-0-
Special meals	-0-

Town of Kinder, Louisiana
Justice System Funding Schedule - Collecting/Disbursing Entity
As Required by Act 87 of the 2020 Regular Legislative Session
For the Year Ended June 30, 2024

Identifying Information

Entity Name	Town of Kinder	
LLA Entity ID # (This is the ID number assigned to the entity by the Legislative Auditor for identification purposes.)	2,276	
Date that reporting period ended (mm/dd/yyyy)	6/30/2024	
	First Six Month Period Ended 12/31/2023	Second Six Month Period Ended 06/30/2024
Cash Basis Presentation		
Beginning Balance of Amounts Collected (i.e. cash on hand)	106,935	112,286
Add: Collections		
Criminal Court Costs/Fees	11,529	15,333
Criminal Fines - Other	209,326	224,008
Subtotal Collections	220,855	239,341
Less: Disbursements To Governments & Nonprofits:		
Traumatic Head and Spinal Cord Injury Trust Fund - Criminal Court Cost/Fees	3,675	4,020
Court Management Information System - Criminal Court Cost/Fees	990	1,113
Crime Victim Reparation Fund - Criminal Court Cost/Fees	646	727
Southwest Louisiana Crime Lab - Criminal Court Cost/Fees	30,480	33,120
Allen Parish Indigent Defender Fund - Criminal Court Cost/Fees	10,200	11,030
Crime Stoppers - Criminal Court Cost/Fees	1,813	1,971
Louisiana Supreme Court Judicial College - Criminal Court Cost-Fees	505	539
Less: Amounts Retained by Collecting Agency		
Town of Kinder - Criminal Fines - Other	167,195	168,738
Subtotal Disbursements/Retainage	215,504	221,258
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	112,286	130,369
Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected (i.e. <i>receivable balance</i>)	11,336	3,574

See accompanying notes.

ROYCE T. SCIMEMI, CPA, APAC



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

December 30, 2024

Honorable Wayland LaFargue, Mayor
and the Town Council
Town of Kinder, Louisiana

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

Report on Internal Control Over Financial Reporting

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

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

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

Honorable Wayland LaFargue, Mayor
and the Town Council
Town of Kinder, Louisiana
December 30, 2024
Page 2

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of the Town's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2024-1 C.

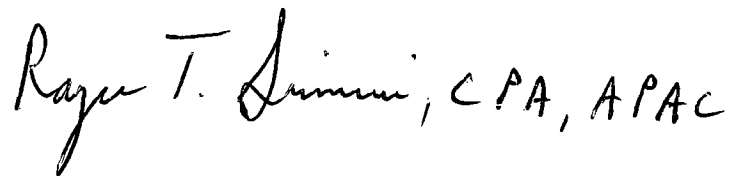
Town of Kinder, Louisiana's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Town's response to the findings identified in our audit is described in the accompanying management's corrective action plan for the current year audit findings and questioned costs. The Town's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

This 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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor of the State of Louisiana as a public document.

Royce T. Scimemi, CPA, APAC
Oberlin, Louisiana

A handwritten signature in black ink that reads "Royce T. Scimemi, CPA, APAC". The signature is written in a cursive, flowing style.

ROYCE T. SCIMEMI, CPA, APAC



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

December 30, 2024

Honorable Wayland LaFargue, Mayor
and the Town Council
Town of Kinder, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Kinder, Louisiana's ("Town") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended June 30, 2024. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Town's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Honorable Wayland LaFargue, Mayor
and the Town Council
Town of Kinder, Louisiana
December 30, 2024
Page 2

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of the Town's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2024-1 C.

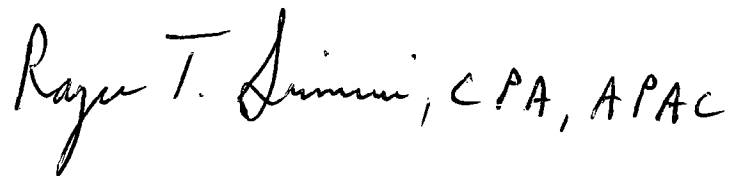
Town of Kinder, Louisiana's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Town's response to the findings identified in our audit is described in the accompanying management's corrective action plan for the current year audit findings and questioned costs. The Town's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

This 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. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor of the State of Louisiana as a public document.

Royce T. Scimemi, CPA, APAC
Oberlin, Louisiana

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Town of Kinder, Louisiana
Schedule of Expenditures of Federal Awards
For The Year Ended June 30, 2024

Federal Grantor/Pass Through Grantor/Program Title	Assistance Listing Number	Federal Expenditures
U.S. Department of Housing and Urban Development: Section 8	14.871	\$ 508,386
U.S. Department of Treasury: Coronavirus State and Local Fiscal Recovery Funds-COVID-19 Passed through State of Louisiana Division of Administration: American Rescue Plan Act*	21.027	4,027,327
U.S. Environmental Protection Agency: Passed through State of Louisiana Department of Environmental Quality: Clean Water State Revolving Funds Loan and Grant	66.458	404,943
U.S. Department of Justice: Passed through Louisiana Commission on Law Enforcement Edward Byrne Memorial Justice Assistance Grant Funds	16.738	<u>916</u>
Total expenditures of federal awards		<u>\$4,941,572</u>

* Denotes a major federal program

Town of Kinder, Louisiana
Notes to the Schedule of Expenditures of Federal Awards
For The Year Ended June 30, 2024

(1) General

The accompanying schedule of expenditures of federal awards (the "Schedule") presents the activity of all federal awards programs of the Town of Kinder, Louisiana (the "Town"). The Town is the reporting entity as defined in Note A(1) to the financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other governments agencies, are included on the schedule.

(2) Basis of Accounting

The Schedule includes the federal award activity of the Town under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the Town's operations, it is not intended to and does not present the net position, changes in net position, or cash flows of the Town.

(3) Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, which is described in Note A(3) to the financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(4) Relationship to the financial statements

Federal awards revenues are reported in the Town's financial statements as follows:

Louisiana Community Development Block Grant Fund:	
American Rescue Plan Act	\$3,750,000
Sales Tax Bond Sinking Fund:	
Clean Water State Revolving Funds Loan and Grant	404,943
General Fund:	
Edward Byrne Memorial Justice Assistance Grant Funds	916
HUD Fund:	
Low Income Housing Assistance	<u>521,439</u>
Total federal awards revenues	<u>\$4,677,298</u>

(5) Indirect Cost Rate

The Town has not elected to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.

Town of Kinder, Louisiana
Schedule of Findings and Questioned Costs
For The Year Ended June 30, 2024

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X no
- Control deficiencies(s) identified that are not considered to be material weakness(es)? _____ yes X no
- Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X no

Major programs and type of auditor's report issued:

Assistance Listing <u>Number</u>	<u>Federal Agency and Name of Major Program</u>	<u>Type of Opinion</u>
21.027	U.S. Department of Treasury Coronavirus State and Local Recovery Funds	Unmodified

Audit findings required to be reported in accordance with 2 CFR §200.516(a)? _____ yes X no

Threshold for distinguishing type A and B programs? \$750,000

Qualified as a low-risk auditee? _____ yes X no

Other

Management letter issued? _____ yes X no

Findings – Financial Statement Audit

Finding #2024-1 C:

Local Governmental Budget Act Compliance

Criteria: The actual expenditures in the Louisiana Community Development Block Grant Fund exceeded budgeted expenditures by 5% or more.

Cause: The budget was prepared before corrections to the accounting system were posted.

Effect: Possible violation of the Louisiana Local Governmental Budget Act.

Recommendation: Closely monitor budgets and amend budgets when necessary.

Response: See Corrective Action Plan

Federal Award Findings and Questioned Costs

None

**Town of Kinder, Louisiana
Management's Corrective Action Plan for
Current Year Audit Findings and
Questioned Costs (Unaudited)
For The Year Ended June 30, 2024**

Finding #2024-1 C:

Local Governmental Budget Act Compliance

Management is monitoring revenues and expenditures monthly and amending budgets as necessary to comply with the Louisiana Local Governmental Budget Act.

Contact Person: Wayland LaFargue, Mayor of the Town of Kinder

Town of Kinder, Louisiana
Summary Schedule of Prior Year Audit Findings
For The Year Ended June 30, 2024

Finding #2023-1 C:

Local Governmental Budget Act Compliance

The budgeted revenues in the General Fund and the DMV Fund exceeded actual revenues by 5% or more and the actual expenditures in the HUD Fund exceeded budgeted amounts by 5% or more. Management is monitoring revenues and expenditures monthly and amending the budget as necessary to comply with the Louisiana Local Governmental Budget Act.



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Independent Accountant's Report On Applying Agree-Upon Procedures For the Year Ended June 30, 2024

Honorable Wayland LaFargue, Mayor
And the Town Council
Town of Kinder, Louisiana

December 30, 2024

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agree-Upon Procedures (SAUPs) for the fiscal period July 1, 2023 through June 30, 2024. The Town of Kinder, Louisiana's (the "Town") management is responsible for those C/C areas identified in the SAUP's.

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

The procedures and associated findings are as follows:

1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
No exceptions were found as a result of this procedure.
 - ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
No exceptions were found as a result of this procedure.

- iii. ***Disbursements***, including processing, reviewing, and approving.
No exceptions were found as a result of this procedure.
- iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
No exceptions were found as a result of this procedure.
- v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
No exceptions were found as a result of this procedure.
- vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
No exceptions were found as a result of this procedure.
- vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
No exceptions were found as a result of this procedure.
- viii. ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
No exceptions were found as a result of this procedure.
- ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
No exceptions were found as a result of this procedure.
- x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
No exceptions were found as a result of this procedure.
- xi. ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
No exceptions were found as a result of this procedure.
- xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.
No exceptions were found as a result of this procedure.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
The minutes reflect that the managing council met monthly without exception.
 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
Monthly income statements with budgetary comparisons and variances were provided to the Council and Mayor by handout at each meeting. The minutes reflect this activity at all meetings occurred without exception.
 - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
The general fund did not have a negative ending unassigned fund balance in the prior year audit report, and therefore the remaining requirement of this section is not applicable.
 - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.
The findings in the prior year were for inadequate segregation of duties. Segregation of duties cannot be corrected due to size of the entity.

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
The listing was provided and represented to be complete by management. All reconciliations were posted within the two-month time frame as applicable without exception.
 - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, or electronically logged); and
The Town Clerk reviewed and initialed all bank reconciliations tested. The Town Clerk also occasionally makes deposits, handles cash at collections points, and does sign checks

(Exception). Note that there are also two other members of management that sign the checks (Compensating Control).

Management Response/Corrective Action: The Town has a small number of employees performing these essential accounting functions and segregation of duties can be difficult. Since the Town Clerk is responsible for overseeing all essential accounting functions and only occasionally handles cash, no corrective action was deemed necessary.

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

There were no outstanding checks for more than 12 months from the statement closing date.

4) Collections (excluding electronic funds transfers)

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

The listing was provided by management without exception.

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

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

All of the Town's employees that collect non-police payments share two cash drawers (Exception).

Management Response/Corrective Action: The Town has a small number of employees and there are two main drawers that collect payments. There are, at times, employees working that assist customers with utility and other payments. The drawers are centrally located within open view of the other employees and two cameras record the transactions during normal working hours (Compensating Control). No corrective action was deemed necessary.

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

The Town has a formal process to reconcile sequentially pre-numbered receipts and cash collections to the general ledger by revenue source, but this reconciliation is done by an employee who is also responsible for some cash collections and some of the associated recording of transactions as well as preparing/making bank deposits (Exception).

Management Response/Corrective Action: Management tries to limit the amount of cash collections by the same employee reconciling bank accounts. However, the Town has a small number of employees and assistance is sometimes needed when other employees are not available for customer transactions. No corrective action was deemed necessary.

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

Since the collection data for each collection location is integrated with the accounting system and automatically posts at the end of each day, each employee who collects cash is also responsible for collection entries to the general ledger (Exception).

Management Response/Corrective Action: Since the collection and accounting systems are integrated, management believes that no corrective action is necessary.

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

There is an employee who is responsible for reconciling cash collections to the general ledger who also occasionally collects cash. However, another employee verifies the reconciliation.

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

Each employee that is responsible for handling cash is bonded without exception.

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

- i. Observe that receipts are sequentially pre-numbered.

Receipts were sequentially pre-numbered where applicable without exception.

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

When applicable, the sequentially pre-numbered receipts, system reports, and other related collection documentation on the tested deposits were traced to the associated deposit slips where applicable without exception.

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

The deposit slip totals on the tested deposits were traced to the bank statement deposits where applicable without exception.

- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

All deposits were made within one business day of receipt at the collection location where applicable without exception.

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

The 10 tested deposits were traced to the general ledger where applicable without exception.

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

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

The listing was provided and represented to be complete by management without exception.

- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

Three of the five transactions tested had documentation of one employee initiating the purchase request, approving the purchase, and placing/making the order (Exception). The other two transactions tested provided no verification of the employee(s) involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase (Exception).

Management Response/Corrective Action: Management will correct this by requiring the initiating employee to initial the purchase orders on all non-recurring transactions that are generated by another employee who also initials them before they are placed.
 - ii. At least two employees are involved in processing and approving payments to vendors;

In the tested transactions, at least two employees were involved in processing and approving payments to vendors.
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

In the tested transactions, the accounts payable clerk was responsible for processing payments and had the authority to add/modify vendor files. However, another employee is responsible for periodically reviewing changes to the vendor files.
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

In the tested transactions, the employee responsible for signing checks gave the signed checks to another employee to mail who is not responsible for processing payment without exception.
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

The Town attaches the voided check and a copy of the invoice for each ACH transaction. The clerk's initials were on the invoices, and she does have signature authority.
- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
- Management provided the non-payroll disbursement transaction population and represented to be complete without exception.**
- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

We were able to match the disbursements tested to the related original itemized invoices without exception. However, there was no supporting documentation provided to verify the deliverables were received by the Town (Exception.)

Management Response/Corrective Action: An employee will review items as they are received and initial the invoices or receiving reports verifying that what was ordered was actually received.

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

The disbursement documentation included written evidence of segregation of duties (i.e., the payment processing employee and the approving employee were two different employees).

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

Of the five electronic disbursements tested, none had evidence of an approval by a person authorized to disburse funds or by two authorizing signatures which is the Town's policy for other non-electronic payments (Exception).

Management Response/Corrective Action: The Town's finance clerk (the person who processes the payments) will initial each invoice before it goes to the Town Clerk and another authorized person (employee/mayor/or council member) for final approval before the payment is processed and paid by electronic funds.

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

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

The listing was provided and represented to be complete by management.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
 - i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

Of the seven transactions tested, there were two charges that did not have supporting documentation or invoices (Exception). There were no authorizing signatures other than the purchaser on each of the invoices that were available (Exception).

Management Response/Corrective Action: The payment processing clerk will verify each invoice is accounted for before processing the payment. She will also initial on the documentation when she is the non-purchasing employee.

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

No finance charges and or late fees were assessed on the month tested.

- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Two of transactions tested were not supported by an original itemized receipt that identified what was purchased and listed the business purpose (Exception).

Management Response/Corrective Action: Management will verify all invoices are accounted for when the statement is received and before payment is processed.

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

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

The listing was provided and represented to be complete by management.

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

The Town utilizes a per diem rate of \$60 per day for meals and incidental expenses in the transactions tested. This amount is less than the Louisiana per diem rate for the area traveled.

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

No reimbursements based on actual costs were included in the selected transactions.

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

Each reimbursement was supported by documentation of the business purpose without exception. No actual meal charge reimbursements were included in the selected transactions.

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

There was written documentation of approval on each of the five transactions tested by someone other than the person receiving the reimbursement.

8) Contracts

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

The listing was provided and represented to be complete by management.

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

One of the five contracts tested were required to be bid in accordance with the Louisiana Public Bid Law. The specifications of the project were publicly advertised, and the bids were opened during a public meeting in accordance with the requirements.

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

When applicable, the contracts reviewed were approved by the governing board without exception.

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

Of the tested contracts, only one was amended and the original contract terms provided for such an amendment. The amendment was made in compliance with the contract terms. No exceptions were found as a result of this procedure.

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

All payments matched supporting invoices and contract terms. No exceptions were found as a result of this procedure.

9) Payroll and Personnel

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

This listing was provided and represented to be complete by management. Paid salaries and wages for the five selected employees/officials agreed with the authorized salaries/pay rates contained in the personnel files without exception.

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

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

Documentation of daily attendance and leave for all employees tested was provided without exception.

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

Supervisor's approval of attendance and leave was provided in four out of the five employees tested (Exception).

Management Response/Corrective Action: Management will correct this by requiring each employee utilizing leave to have their immediate supervisor's approval before being paid for the leave.

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

Leave accrued or taken was reflected in the accounting/payroll system without exception.

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

The rates paid to the selected employees agreed with the authorized salary/ pay rate found in the personnel files for each such employee without exception.

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

The listing was provided and represented to be complete by management. The employees tested were paid in accordance with the Town's termination policy without exception.

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

Management represented that all employer and employee portions of third-party payroll related amounts were paid timely, and all required forms were filed timely without exception.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

The documentation provided demonstrated that all 5 employees tested had completed their one hour of ethics training during the calendar year without exception.

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

Since there were no changes in the Town's polity during the fiscal year, there was no need for any notifications.

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

Upon inquiry, management advised that the Town Clerk is the ethics designee.

11) Debt Service

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

Management provided the listing of bonds/notes issued during the fiscal year and represented to be complete without exception. The Louisiana Bond Commission has approved the only debt issued during the fiscal year.

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

Management provided the listing of bonds/notes issued during the fiscal year and represented to be complete without exception. We verified that reserve balances and payments required by debt covenants were maintained and paid, as applicable, in accordance with the debt covenants without exception.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

Management informed us that the Town did not have any misappropriation of public funds or assets during the fiscal year. No exceptions were found as a result of this procedure.

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

The Town's office did have the required notice posted in a conspicuous place upon its premises and on the Town's website. No exceptions were found as a result of this procedure.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."

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

The Town's critical data is backed up daily to a cloud-based program. These backups are tested regularly and accessible to the Town as needed. Management performed the procedure of retrieving the backups and verified that the data was restored. The data is not stored on a local medium, but it is encrypted during the transfer. No exceptions were found as a result of this procedure.

We performed the procedure and discussed the results with management.

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

The Town's data backups are tested regularly and accessible to the Town clerk and accounts payable clerk as needed. We observed evidence that the testing/verifying backup restoration was successfully performed within the past 3 months. No exceptions were found as a result of this procedure.

We performed the procedure and discussed the results with management.

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

The listing was provided and represented to be complete by management without exception. The Town pays an IT company monthly for services to maintain/update all computer software (including antivirus) and hardware. Each of the computers selected had current and active antivirus software, operating systems, and accounting software systems that were currently supported by the vendor without exception.

We performed the procedure and discussed the results with management.

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

We verified that the former employees that had access to the network were removed within a reasonable time after termination. There were only three employees that were terminated and none of them had access to the network.

We performed the procedure and discussed the results with management.

- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

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

Four of the five tested employees had completed the required cybersecurity training in compliance within the requirements of R.S. 42:1267 (Exception).

Management Response/Corrective Response: Management will require all current employees to complete the required cybersecurity training and require new employees to provide documentation that the required training was completed within 30 days of initial employment.

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

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

Four of the five employees tested verified with documentation that they had completed at least one hour of sexual harassment training within the fiscal year (Exception).

Management Response/Corrective Response: Management will require all current employees to complete the required sexual harassment training and require new employees to provide documentation that the required training was completed within 30 days of initial employment.

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

We visually observed that the Town's sexual harassment policy and complaint procedure was posted in a conspicuous location on the premises and on the Town's website without exception.

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

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

The number (30) and percentage (90%) of public servants who have completed the training were included in the annual sexual harassment report provided (Exception)

Management Response/Corrective Action: Management will annually require all current employees to complete the required sexual harassment training and require new employees to provide documentation that the required training was completed within 30 days of initial employment.

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

There were no sexual harassment complaints received by the Town during the fiscal year. Not applicable.

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

Not applicable.

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

Independent Accountant's Report on Applying Agreed Upon Procedures – Continued
Honorable Wayland LaFargue, Mayor and the Town Council
Town of Kinder, Louisiana
December 30, 2024

Not applicable.

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

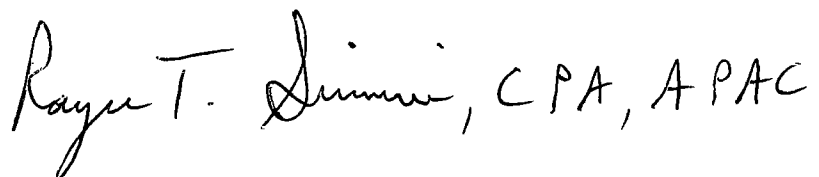
Not applicable.

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

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

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

Royce T. Scimemi, CPA, APAC
Oberlin, Louisiana
December 30, 2024

A handwritten signature in black ink that reads "Royce T. Scimemi, CPA, APAC". The signature is written in a cursive, flowing style.