

TOWN OF FORDOCHE, LOUISIANA

FINANCIAL STATEMENTS

December 31, 2023

TOWN OF FORDOCHE, LOUISIANA

TABLE OF CONTENTS

December 31, 2023

	<u>Exhibit</u>	<u>Page</u>
FINANCIAL SECTION		
Independent Accountants' Review Report		1
Management's Discussion and Analysis		4
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	A	12
Statement of Activities	A-1	13
Fund Financial Statements:		
Governmental Fund:		
Balance Sheet	A-2	14
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	A-3	15
Statement of Revenues, Expenditures, and Changes in Fund Balance	A-4	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Fund to the Statement of Activities	A-5	17
Proprietary Fund:		
Statement of Proprietary Net Position	A-6	18
Statement of Revenues, Expenses, and Changes in Proprietary Net Position	A-7	19
Statement of Cash Flows	A-8	20
Notes to Financial Statements	A-9	21
Required Supplementary Information:		
General Fund:		
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	B	46
Notes to Required Supplementary Information	B-1	47
Schedule of Proportionate Share of Net Pension Liability	B-2	48

	<u>Exhibit</u>	<u>Page</u>
Schedule of Pension Contributions	B-3	50
Notes to Schedule of Proportionate Share of Net Pension Liability and Schedule of Pension Contributions	B-4	52
Other Supplementary Information		
Schedule of Compensation, Benefits, and Other Payments to Agency Head	C	54
Act 87 Justice System Funding Schedule – Collecting/ Disbursing Entity	C-1	55
Independent Accountants’ Report on Agreed Upon Procedures		56



INDEPENDENT ACCOUNTANTS' REVIEW REPORT

The Honorable Mayor and
Members of the Town Council,
Town of Fordoche, Louisiana

We have reviewed the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the **TOWN OF FORDOCHE, LOUISIANA** (Town), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Managements' Responsibility for the Financial Statements

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

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

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 review.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and budgetary comparison and pension plan information on pages 4 through 12 and Exhibits B through B-4 be presented to supplement the basic financial statements. Such information, although not a required 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. Such information is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information and we do not express an opinion, a conclusion, nor provide any assurance on it.

Supplementary Information

The supplementary information contained in Exhibits C and Exhibit C-1 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such.

Faulk & Winkler, LLC
Certified Public Accountants

Baton Rouge, Louisiana
June 18, 2024

THIS PAGE IS INTENTIONALLY LEFT BLANK.

TOWN OF FORDOCHE, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our analysis of The Town of Fordoche's (Town) financial performance provides an overview of the Town's financial activities for the year ended December 31, 2023. The Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts. This MD&A should be read in conjunction with the financial statements which begin on Exhibit A.

FINANCIAL HIGHLIGHTS

The major financial highlights for 2023 are as follows:

Government-wide financial statements

- Assets and deferred outflows of resources of the Town's primary government exceeded its liabilities and deferred inflows of resources at the close of the year by \$1.89 million (net position). Of this amount, \$352,000 (unrestricted net position) may be used without restrictions to meet the Town's ongoing obligations to citizens.
- The primary government's total net position decreased by \$52,305 during 2023. This is primarily due to a decrease in charges for services.
- Governmental activities' net position decreased by \$8,819.
- Business-type activities' net position decreased by \$43,486.

General Fund financial statements

- As of the end of the year, governmental funds reported a fund balance of \$341,727, a decrease of \$9,852 in comparison to the prior year. Approximately 93% of the fund balance (\$318,214) is unassigned for purposes of meeting the government's ongoing obligations to citizens and creditors and to be used in future operations and acquisitions of new capital assets that will improve the operations of the Town.

Significant aspects of the Town's financial well being, as of and for the year ended December 31, 2023, are detailed throughout this analysis.

USING THIS ANNUAL REPORT

The Town's financial statements focus on the government as a whole and on major individual funds. Both government-wide and fund perspectives allow the reader to address relevant questions, broaden a basis for comparison from year to year, and enhance the Town's accountability.

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 13 and 14) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances.

Fund financial statements start on page 15. For governmental activities, these statements depict how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds.

The Town's accountants' have provided limited assurance in their independent accountants' review report, located immediately preceding this MD&A, as the results of procedures performed provide a reasonable basis for the conclusion, whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. Varying degrees of assurance are being provided by the reviewer regarding the Required Supplementary Information. A user of this report should read the independent accountants' review report carefully to ascertain the level of assurance being provided for each part of this report.

Reporting on the Town as a Whole

The financial statements of the Town as a whole begin on page 13. The Statement of Net Position and the Statement of Activities report information about the Town as a whole and its activities in a way to determine if the Town is in better condition, compared to the prior year. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to accounting methods used by most private-sector companies. All of the current year's revenues and expenses are reported regardless of when cash is received or paid. Thus, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods.

These two statements report the Town's net position and related changes. The Town's financial health, or financial position, can be measured by its net position—the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Over time, increases or decreases in the Town's net position are one indicator of whether its financial health is improving or deteriorating.

In the Statement of Net Position and the Statement of Activities, the Town's operations are divided into two kinds of activities:

Governmental activities - Most of the Town's basic services are reported here, including public safety, highway and streets, culture and recreation, and general administration. Property, sales, and video poker taxes, franchise fees and fines finance most of these activities.

Business-type activities - The Town charges a fee to customers to fund the cost of the water services it provides.

At December 31, 2023, the Town's net position was \$1.89 million, of which \$352,000 is unrestricted and \$1.54 million was invested in capital assets. Restricted net position is reported separately to show legal constraints from legislation that limits the Town's ability to use that net position for day-to-day operations. There is no restricted net position as of December 31, 2023. The analysis of the primary government focuses on the net position and change in net position of the Town's governmental activities and business-type activities is as follows:

Town of Fordoche, Louisiana Statements of Net Position December 31, 2023 and 2022 (in thousands)						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 635	\$ 643	\$ 128	\$ 185	\$ 763	\$ 828
Capital assets	<u>818</u>	<u>815</u>	<u>725</u>	<u>700</u>	<u>1,543</u>	<u>1,515</u>
Total assets	1,453	1,458	853	885	2,306	2,343
Deferred outflows of resources	<u>37</u>	<u>10</u>	<u>9</u>	<u>13</u>	<u>46</u>	<u>23</u>
Total assets & deferred outflows of resources	<u>\$ 1,490</u>	<u>\$ 1,468</u>	<u>\$ 862</u>	<u>\$ 898</u>	<u>\$ 2,352</u>	<u>\$ 2,366</u>
Current and other liabilities	\$ 292	\$ 291	\$ 56	\$ 40	\$ 348	\$ 331
Long-term liabilities	<u>66</u>	<u>36</u>	<u>42</u>	<u>47</u>	<u>108</u>	<u>83</u>
Total liabilities	<u>358</u>	<u>327</u>	<u>98</u>	<u>87</u>	<u>456</u>	<u>414</u>
Deferred inflows of resources	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>1</u>
Net position:						
Net investment in capital assets	818	815	725	700	1,543	1,515
Unrestricted	<u>314</u>	<u>326</u>	<u>38</u>	<u>110</u>	<u>352</u>	<u>436</u>
Total net position	<u>1,132</u>	<u>1,141</u>	<u>763</u>	<u>810</u>	<u>1,895</u>	<u>1,951</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 1,491</u>	<u>\$ 1,468</u>	<u>\$ 862</u>	<u>\$ 898</u>	<u>\$ 2,353</u>	<u>\$ 2,366</u>

Net position of the Town's governmental activities during 2022 and 2023 remained consistent. Unrestricted net position represents the part of net position that can be used to finance day-to-day operations without constraints established by legislation or other legal requirements. The \$352,000 in unrestricted net position of governmental activities represents the cumulative results of operations since the Town's inception.

The changes in net position are discussed later in this analysis. The net position of the Town's business activities decreased by 6% or \$47,000 during 2023. The Town operates water services for its citizens.

The results of 2023 and 2022 operations for the primary government as reported in the Statement of Activities, are as follows:

Town of Fordoche
Statements of Activities
For the years ended December 31, 2023 and 2022
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program:						
Charges for services	\$ 98	\$ 107	\$ 141	\$ 137	\$ 239	\$ 244
Operating grants	12	6	-	-	12	6
Capital grants	-	-	-	-	-	-
General:						
Sales taxes	111	113	-	-	111	113
Video poker taxes	20	23	-	-	20	23
Franchise taxes	31	29	-	-	31	29
Ad valorem taxes	55	54	-	-	55	54
Other	20	7	5	2	25	9
Total revenues	<u>347</u>	<u>339</u>	<u>146</u>	<u>139</u>	<u>493</u>	<u>478</u>
Functions/Program Expenses:						
General government	144	133	-	-	144	133
Public safety	62	53	-	-	62	53
Highway and streets	58	62	-	-	58	62
Health and welfare	-	-	-	-	-	-
Culture and recreation	92	78	-	-	92	78
Utility operations	-	-	189	160	189	160
Total expenses	<u>356</u>	<u>326</u>	<u>189</u>	<u>160</u>	<u>545</u>	<u>486</u>
Changes in net position before transfers	(9)	13	(43)	(21)	(52)	(8)
Transfers	-	(43)	-	43	-	-
Change in net position	(9)	(30)	(43)	22	(52)	(8)
Beginning net position	<u>1,141</u>	<u>1,171</u>	<u>810</u>	<u>788</u>	<u>1,951</u>	<u>1,959</u>
Ending net position	<u>\$ 1,132</u>	<u>\$ 1,141</u>	<u>\$ 767</u>	<u>\$ 810</u>	<u>\$ 1,899</u>	<u>\$ 1,951</u>

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Traditional users of governmental financial statements will find the fund financial statement presentation more familiar. The focus is on major funds, rather than generic fund types.

Reporting the Town's Most Significant Funds

The analysis of the Town's major funds begins on page 15 with the fund financial statements that provide detailed information about the most significant funds—not the Town as a whole. Some funds are required to be established by State law or by bond covenants. However, the Town Council establishes other funds to control and manage money for particular purposes or meeting legal responsibilities for using certain taxes, grants, and other money. The Town's two kinds of funds—governmental and proprietary—use different accounting approaches.

Governmental funds—Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Most of the Town's basic services are reported in governmental funds. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and the governmental fund, the General Fund, is described in a reconciliation to the financial statements. The governmental major fund (Exhibits A-2 and A-4) presentation is presented using modified accrual basis and focuses on the major funds of the Town. The Town's only governmental fund is the General Fund.

Proprietary funds - When the Town charges customers for the services it provides—whether to outside customers or to other units of the Town—these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the Town's enterprise fund (Public Utility Fund) is the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are a required part of the basic financial statements and can be found in Exhibit A-9.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning original and final budgetary comparisons to actual results for the year for the Town's budgetary funds.

Financial Analysis of the Government's Funds

The general government operations of the Town are accounted for in the General Fund. The focus of this fund, as noted earlier, is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. The following is a summary of general governmental operations for 2023 and 2022:

	General Fund	
	2023	2022
	(in thousands)	
Revenues and other financing sources	\$ 352	\$ 337
Expenditures and other financing uses	361	329
Net change in fund balance	(9)	8
Fund balance - beginning	351	343
Fund balance - ending	\$ 342	\$ 351

The Town's General Fund experienced a decrease in fund balance of \$9,000 during 2023 that primarily resulted from a decrease in tax and fine revenues compared to the prior year. At year end, the fund's balance was \$342,000, of which \$318,000 was unassigned and available for utilization at the Town's discretion.

General Fund revenues, excluding other financing sources, are summarized below:

	2023		2022	
	(In thousands)			
Taxes	\$ 218	62%	\$ 219	65%
Fines	9	3%	28	8%
Licenses and permits	27	8%	26	8%
Intergovernmental	12	3%	6	2%
Other	86	18%	59	17%
Total	\$ 352	100%	\$ 338	100%

Revenues of the General Fund for 2023 totaled approximately \$352,000, representing a increase of 4% from the previous year.

As noted on the previous page, the Town's activities are largely supported by fines and taxes, which represented 65% of total governmental resources during 2023.

Expenditures of the primary government increased by \$78,000 or 27% in 2023, primarily related to increases in general government (\$11,000), capital outlay (\$49,000), and culture and recreation (\$15,000) expenditures. Governmental expenditures by functions are summarized as follows:

<u>Function</u>	2023		2022	
	(In thousands)			
General government	\$ 141	39%	\$ 130	45%
Public safety	51	14%	47	16%
Highways and streets	45	12%	48	17%
Culture and recreation	64	18%	50	17%
Health and welfare	-	0%	-	0%
Capital outlay	60	5%	11	5%
Total	<u>\$ 361</u>	<u>100%</u>	<u>\$ 286</u>	<u>100%</u>

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town's original budget was not amended during the year.

Due to the budget not being amended, revenues were \$51,333 more than the related final budget amounts of \$300,504, and charges to appropriations (expenditures) were \$32,566 less than the related final budget appropriation of \$393,800.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2023, the Town had \$1.54 million invested in a broad range of capital assets, including vehicles, computer equipment, office furniture, land, buildings, water and gas distribution systems, and a sewer treatment facility.

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
	(in thousands)					
Land	\$ 61	\$ 61	\$ 10	\$ 10	\$ 71	\$ 71
Buildings	673	646	-	-	673	646
Vehicles	22	33	-	-	22	33
Machinery and equipment	50	62	12	5	62	67
Furniture and equipment	12	13	-	-	12	13
Water systems	-	-	703	685	703	685
Capital assets, net of depreciation	<u>\$ 818</u>	<u>\$ 815</u>	<u>\$ 725</u>	<u>\$ 700</u>	<u>\$ 1,543</u>	<u>\$ 1,515</u>

The Town elected to capitalize infrastructure assets on a prospective basis as a Phase 3 government, which is permitted by GASB No. 34. More detailed information about the Town's capital assets is presented in Note 5 to the financial statements.

Long-term Debt

At the end of 2023, the Town had \$107,491 in long-term debt obligations, all which are related to net pension liability. This represents an increase of \$23,437 from the prior year. See Note 6.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The Town's elected and appointed officials considered many factors when setting the 2024 budget and tax rates. One of those factors is the local economy, with the major economic industries in the surrounding area being agriculture and manufacturing.

The Town is projecting a decrease in expenditures of \$20,000 compared to the current year relating to a decrease in capital outlay expenditures in the General Fund of \$45,000. If these estimates are realized during 2024, the Town's General Fund balance will decrease by \$11,000 compared to an decrease of \$9,400 during 2023.

Contacting the Town's Financial Management

This financial report is designed to provide the citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show accountability for the money the Town receives. Questions about this report or a need for additional financial information should be directed to the Town's Finance Office at (225) 637-3112 or P.O. Box 10, Fordoche, LA 70732.

BASIC FINANCIAL STATEMENTS

TOWN OF FORDOCHE, LOUISIANA
STATEMENT OF NET POSITION

December 31, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 274,916	\$ 91,007	\$ 365,923
Restricted cash:			
Grant advances	289,554	-	289,554
Customer utility deposits	-	22,973	22,973
Accounts receivable, net	6,431	9,014	15,445
Due from other governments	50,497	-	50,497
Internal balances	1,315	(1,315)	-
Prepaid assets	12,679	6,526	19,205
Capital assets:			
Nondepreciable	61,450	9,950	71,400
Depreciable, net	756,953	715,353	1,472,306
Total assets	1,453,795	853,508	2,307,303
DEFERRED OUTFLOWS OF RESOURCES			
Pension liability	36,671	8,730	45,401
Total assets and deferred outflows of resources	\$ 1,490,466	\$ 862,238	\$ 2,352,704
LIABILITIES			
Accounts payable and accrued liabilities	\$ 1,777	\$ 12,688	\$ 14,465
Due to other governments	527	-	527
Unearned revenue - grant advances	289,554	5,769	295,323
Customer prepayment on utility charges	-	14,909	14,909
Customer utility deposits	-	22,973	22,973
Long-term payables:			
Net pension liability	65,671	41,820	107,491
Total liabilities	357,529	98,159	455,688
DEFERRED INFLOWS OF RESOURCES			
Pension liability	641	869	1,510
Total liabilities and deferred inflows of resources	358,170	99,028	457,198
NET POSITION			
Investment in capital assets	818,403	725,303	1,543,706
Unrestricted	313,893	37,907	351,800
Total net position	1,132,296	763,210	1,895,506
Total liabilities, deferred inflows of resources, and net position	\$ 1,490,466	\$ 862,238	\$ 2,352,704

Notes on Exhibit A-9 are an integral part of this statement.

TOWN OF FORDOCHE, LOUISIANA

STATEMENT OF ACTIVITIES

For the year ended December 31, 2023

Functions/Programs	Program Revenues				Net Revenue (Expenses) and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 147,359	\$ 27,339	\$ 5,000	\$ -	\$ (115,020)	\$ -	\$ (115,020)
Public safety	61,280	9,261	6,600	-	(45,419)	-	(45,419)
Highway and streets	58,291	4,424	-	-	(53,867)	-	(53,867)
Health and welfare	178	-	-	-	(178)	-	(178)
Culture and recreation	90,749	56,840	-	-	(33,909)	-	(33,909)
Total governmental activities	357,857	97,864	11,600	-	(248,393)	-	(248,393)
Business-type activities:							
Utility operations	189,459	140,955	-	-	-	(48,504)	(48,504)
Total primary government	\$ 547,316	\$ 238,819	\$ 11,600	\$ -	(248,393)	(48,504)	(296,897)
General revenues:							
Taxes:							
Sales					111,190	-	111,190
Ad valorem					55,069	-	55,069
Video poker					20,463	-	20,463
Franchise and other					31,013	-	31,013
Grants and contributions not restricted to specific programs					1,868	1,808	3,676
Investment earnings					24,638	3,210	27,848
Loss on disposal of capital assets					(4,667)	-	(4,667)
Total general revenues					239,574	5,018	244,592
Change in net position					(8,819)	(43,486)	(52,305)
Net position - beginning of year					1,141,115	806,696	1,947,811
Net position - end of year					\$ 1,132,296	\$ 763,210	\$ 1,895,506

Notes on Exhibit A-9 are an integral part of this statement.

TOWN OF FORDOCHE, LOUISIANA

BALANCE SHEET GOVERNMENTAL FUND

December 31, 2023

	General Fund
ASSETS	
Cash and cash equivalents	\$ 274,916
Restricted cash - grant advances	289,554
Accounts receivable, net	6,431
Due from other governments	50,497
Due from other funds	1,315
Prepaid assets	12,679
Total assets	\$ 635,392
LIABILITIES	
Accounts payable and accrued liabilities	\$ 1,777
Due to other governments	527
Unearned revenue - grant advances	289,554
Total liabilities	291,858
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - ad valorem taxes	1,807
FUND BALANCE	
Non-spendable	12,679
Committed	10,834
Unassigned	318,214
Total fund balance	341,727
Total liabilities, deferred inflows of resources, and fund balance	\$ 635,392

Notes on Exhibit A-9 are an integral part of this statement.

TOWN OF FORDOCHE, LOUISIANA

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

December 31, 2023

Total net assets reported for governmental activities in the statement of net position is different because:

Total fund balance - governmental fund (Exhibit A-2)	\$	341,727
Capital assets used in governmental activities that are not financial resources and, therefore, are not reported in the governmental fund, net of accumulated depreciation.		818,403
Some tax revenues were collected more than sixty days after year-end and, therefore, are not available soon enough to pay for current-period expenditures		
Ad valorem taxes		1,807
Pension related obligations are not due and payable with current resources and, therefore, are not reported in governmental funds.		
Deferred outflows related to pension liability	36,671	
Deferred inflows related to pension liability	(641)	
Net pension liability	(65,671)	(29,641)
Net position of governmental activities (Exhibit A)	\$	1,132,296

Notes on Exhibit A-9 are an integral part of this statement.

TOWN OF FORDOCHE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUND

For the year ended December 31, 2023

	General Fund
REVENUES	
Taxes:	
Sales and use	\$ 111,190
Ad valorem	55,069
Video poker	20,463
Franchise and other	31,013
Charges for services	61,264
Fines	9,261
License and permits	27,339
Intergovernmental	11,600
Investment income	24,638
Total revenues	351,837
EXPENDITURES	
Current function:	
General government	141,116
Public safety	50,829
Highways and streets	45,219
Culture and recreation	63,888
Health and welfare	178
Capital outlay	60,004
Total expenditures	361,234
Net change in fund balance	(9,397)
FUND BALANCE	
Beginning of year	351,124
End of year	\$ 341,727

Notes on Exhibit A-9 are an integral part of this statement.

TOWN OF FORDOCHE, LOUISIANA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND TO
THE STATEMENT OF ACTIVITIES**

For the year ended December 31, 2023

The change in net position reported for governmental activities in the statement of activities is different because:

Net change in fund balance - total governmental funds (Exhibit A-4)	\$	(9,397)
<p>The governmental fund reports capital outlay as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation.</p>		
Capital outlay		60,004
Depreciation expense		<u>(51,888)</u>
		8,116
Loss on disposal of capital assets		(4,667)
Changes in net pension obligations are reported only in the Statement of Activities		<u>(2,871)</u>
Change in net position of governmental activities (Exhibit A-1)	\$	<u><u>(8,819)</u></u>

Notes on Exhibit A-9 are an integral part of this statement.

TOWN OF FORDOCHE, LOUISIANA
STATEMENT OF PROPRIETARY NET POSITION
PROPRIETARY FUND

December 31, 2023

	Public Utility Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 91,007
Restricted cash - customer utility deposits	22,973
Accounts receivable, net	9,014
Prepaid expenses	<u>6,526</u>
Total current assets	<u>129,520</u>
Noncurrent assets:	
Capital assets:	
Nondepreciable	9,950
Depreciable, net	<u>715,353</u>
Total noncurrent assets	<u>725,303</u>
Total assets	854,823
DEFERRED OUTFLOWS OF RESOURCES	
Net pension liability	<u>8,730</u>
Total assets and deferred inflows of resources	<u>\$ 863,553</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 12,688
Due to other funds	1,315
Deferred revenue	5,769
Customer prepayment on utility charges	14,909
Customer utility deposits	<u>22,973</u>
Total current liabilities	57,654
Non-current liabilities:	
Net pension liability	<u>41,820</u>
Total liabilities	<u>99,474</u>
DEFERRED INFLOWS OF RESOURCES	
Net pension liability	<u>869</u>
NET POSITION	
Investment in capital assets	725,303
Unrestricted	<u>37,907</u>
Total net position	<u>763,210</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 863,553</u>

Notes on Exhibit A-9 are an integral part of this statement.

TOWN OF FORDOCHE, LOUISIANA

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN PROPRIETARY NET POSITION**

PROPRIETARY FUND

For the year ended December 31, 2023

	<u>Public Utility Fund</u>
OPERATING REVENUES	
Charges for services:	
Water fees	\$ 127,035
Collection fees - Pointe Coupee Parish Government	11,679
Penalties and other	<u>2,241</u>
Total operating revenues	<u>140,955</u>
OPERATING EXPENSES	
Personnel	70,021
Depreciation	39,373
Maintenance and repairs	28,642
Utilities	20,617
Insurance	11,599
Professional services	14,013
Materials and supplies	<u>5,194</u>
Total operating expenses	<u>189,459</u>
Operating loss	<u>(48,504)</u>
NONOPERATING REVENUES	
Pension revenue	1,808
Investment income	<u>3,210</u>
Total nonoperating, net	<u>5,018</u>
Change in net position	(43,486)
NET POSITION	
Beginning of year	<u>806,696</u>
End of year	<u><u>\$ 763,210</u></u>

Notes on Exhibit A-9 are an integral part of this statement.

TOWN OF FORDOCHE, LOUISIANA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUND**

For the year ended December 31, 2023

	<u>Public Utility Fund</u>
CASH FLOW FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 152,966
Payments to suppliers	(78,135)
Payments to employees	<u>(71,339)</u>
Net cash provided by operating activities	<u>3,492</u>
CASH FLOWS FROM INVESTING RELATED ACTIVITIES	
Investment earnings	<u>3,210</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES	
Increase in customer deposits	784
Pension revenue	<u>1,808</u>
Net cash provided by noncapital and related financing activities	<u>2,592</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	<u>(64,853)</u>
Net decrease in cash	(59,014)
CASH	
Beginning of period	<u>172,994</u>
End of period	<u>\$ 113,980</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating loss	\$ (48,504)
Adjustments for to reconcile operating income to net cash provided by operating activities:	
Depreciation	39,373
Change in operating assets and liabilities:	
Accounts receivable and other assets and outflows	1,331
Accounts payable and accrued liabilities and inflows	<u>11,292</u>
Net cash provided by operating activities	<u>\$ 3,492</u>
RECONCILIATION OF CASH AND RESTRICTED CASH	
Cash and cash equivalents	\$ 91,007
Restricted cash - customer utility deposits	<u>22,973</u>
Total cash	<u>\$ 113,980</u>

Notes on Exhibit A-9 are an integral part of this statement.

TOWN OF FORDOCHE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement Presentation

The Town of Fordoche, Louisiana (Town) was incorporated in 1961 and is a political subdivision of the State of Louisiana. The Town, under the provisions of the Lawrason Act, enacts ordinances, sets policy and establishes programs in such fields as public safety, public works, health and welfare, culture and recreation, and utility operations.

The financial statements of the Town have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The most significant accounting policies established in GAAP and used by the Town are described below. The Town follows GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Certain significant components in the Statement include the following:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Town’s overall financial position and results of operations,
- Financial statements prepared using accrual basis accounting for all of the Town’s activities.
- Fund financial statements to focus on the major funds.

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 municipal government, and where applicable (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.

GASB Statement No. 14, as amended by GASB Statement No. 61, 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.

(continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

The criteria for determining which component units should be considered part of the Town for financial reporting purposes are as follows:

- Legal status of the potential component unit including the right to incur its own debt. Levy its own taxes and charges, expropriate property in its own name, sue or be sued, and the right to buy, sell and lease property in its own name;
- Whether the Town governing authority (the Council and/or Mayor) appoints a majority of board members of the potential component unit;
- Fiscal interdependency between the Town and the potential component unit;
- Imposition of will by the Town on the potential component unit; and
- Financial benefit/burden relationship between the Town and the potential component unit.

As required by generally accepted accounting principles, these financial statements present the Town and, where applicable, its component units. However, there are no component units to be included either blended within the Town's funds or discretely presented in these financial statements.

Basis of Presentation

The Town's basic financial statements consist of the government-wide statements of the primary government and the fund financial statements (individual major funds). The Town's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America and applied to governmental units.

Government-wide Financial Statements

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all non-fiduciary activities of the Town. As a general rule, the effect of interfund activity has been removed from these statements. The government-wide presentation focuses primarily on the sustainability of the government as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These statements distinguish between the governmental and business-type activities of the Town.

Governmental activities generally are financed through taxes, intergovernmental revenues, traffic fines, charges for services, and other nonexchange revenues.

(continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide Financial Statements (Continued)

Business type activities are financed in whole or in part by fees charged to external parties for utility services provided. The Town's water services are classified as business-type activities.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or business-type activity, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

The fund financial statements are very similar to the traditional government fund statements as prepared by governments prior to the issuance of GASB No. 34. Emphasis is now on the major funds in either the governmental or business-type categories. Non-major funds (by category) or fund type are summarized into a single column in the basic financial statements. The Town does not operate any non-major funds in 2023.

The daily operations of the Town continue to be organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures or expenses, as appropriate. Funds are organized into three major categories: governmental, proprietary and fiduciary. The Town does not have any fiduciary funds. An emphasis is placed on major funds within the governmental and proprietary categories.

A fund is considered major if it is the primary operating fund of the Town (the General Fund) or meets the following criteria:

- Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental fund or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

(continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements (Continued)

Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be expended and the means by which spending activities are controlled. The various funds of the primary government presented in the financial statements are described as follows:

Governmental Fund Types

Governmental funds are those through which most governmental functions of the Town are financed. The acquisition, use, and balances of expendable financial resources and related liabilities of the Town are accounted for through governmental funds. Measurement is focused upon determining changes in financial position, rather than net income.

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

Proprietary Fund Types

Enterprise Funds – Enterprise funds are used to account for operations (1) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs and expenses, including depreciation, of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or changes in net position is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Proprietary funds distinguish operating revenues and expenses from nonoperating items.

Operating revenues and expenses generally result from providing services in connection with a proprietary 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 revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The Town considers the Public Utilities Fund a major enterprise fund.

(continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting and Measurement Focus

Government-wide financial statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Ad valorem (property) taxes are recognized in the year for which they are levied. Program revenues for governmental activities include operating and capital grants, traffic fines, and charged for services.

Fund financial statements

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included in the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in fund balance. Governmental funds are maintained on the modified accrual basis of accounting. Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). "Available" means collectible within the current period or within 60 days after year-end. Charges for services, fines and forfeitures, and most governmental revenues, are recorded as earned since they are measurable and available.

Nonexchange transactions, in which the Town receives value without directly giving value in return, includes sales tax, ad valorem tax, and intergovernmental grants. Ad valorem taxes are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15th of each year, and become delinquent after December 31st. The taxes are generally collected in December of the current year and January and February of the following year.

Sales taxes are recorded when in the possession of the intermediary collecting agent and are recognized as revenue at that time and are subject to the availability criteria. Grants are recorded as revenue when the Town is entitled to the funds, generally corresponding to when grant related costs are incurred by the Town, but subject to the availability criteria.

Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable, except for (1) unmatured interest on general long-term debt which is recognized when due, and (2) claims and judgments, and compensated absences which are recorded as expenditures in the governmental fund type when paid with expendable financial resources. Allocations of costs such as depreciation and amortization are not recognized in the governmental funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting and Measurement Focus (Continued)

Fund financial statements (Continued)

All proprietary funds are accounted for on a flow of economic resources measurement focus. Proprietary funds are maintained on the accrual basis of accounting whereas revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized in the period incurred, if measurable.

Cash and Cash Equivalents

Cash and cash equivalents for the Town include the Louisiana Asset Management Pool (LAMP) account deposits as well as the Town's operating cash accounts.

For an investment, custodial credit risk that, in the event of the failure of the counter party, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The investment policy of the Town is governed by state statutes that include depository and custodial contract provisions.

The investment policy of the Town is governed by state statutes that include depository and custodial contract provisions. The Town invests funds in accordance with L.R.S. 39:1211-1245 and 33:2955 which include, but are not limited to, United States Treasury Bonds, Treasury Notes, Treasury Bills, and fully collateralized interest-bearing checking accounts and certificates of deposit. Other provisions require depositories to insure or collateralize all deposits in accordance with state law and require securities collateralizing deposits to be held by an independent third party with whom the Town has a custodial agreement. The Town primarily utilizes the LAMP to invest idle funds.

For purposes of the Statement of Cash Flows, liquid investments of the enterprise fund with a maturity of three months or less are considered to be cash equivalents.

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. See Note 2.

(continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. In business-type activities, uncollectible amounts due from utility billing receivables are recognized as bad debts through the use of an allowance account or are directly charged off at the time information becomes available which indicates that the particular receivable is not collectible. An allowance for doubtful accounts of \$6,500 in the Public Utility Fund, respectively, was recorded at December 31, 2023.

Interfund Receivables/Payables

During the course of operations, transactions may occur between individual funds. Those related to short-term borrowings are classified as “due from other funds” or “due to other funds” on the balance sheet. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” The Town has a \$1,315 interfund receivables/payables balance at December 31, 2023.

Interfund Transfers

Advances between funds which are not expected to be repaid are accounted for as transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated. In those cases where repayment is expected, the advances are accounted for through the various interfund accounts. There are no transfers during the year ended December 31, 2023.

Leases

Effective January 1, 2022, the Town implemented ASU 2016-02, *Leases* (Topic 842). Topic 842’s core principle is that “a lessee should recognize the assets and liabilities that arise from leases.” The Topic 842 considered that “all leases create an asset and a liability,” and accordingly requires recording the assets and liabilities related to all leases with a term greater than 12 months. Concurrent with the implementation of ASU 2016-02, and ASU 2018-11 “*Leases* (Topic 842): *Targeted Improvements*,” which intended to simplify the transition requirement giving the Town the option to apply the transition provisions of the new standard at the date of adoption instead of at the earliest comparative period. In implementing these ASUs, the Town elected the options provided in ASU 2018-11. This accounting was applied to all lease agreements using the modified retrospective method, and when implemented with ASU 2018-11, allowed the Town to recognize the leased assets and liabilities on its balance sheet, without restating prior periods. As of December 31, 2023, the Town did not have any lease agreements that were required to be implemented, but the Topic 842 will be monitored annually.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

The accounting treatment of property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Statements

In the government-wide financial statements, all capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their acquisition value at the date of donation. Major capital outlays for capital assets and improvements are capitalized at the completion of construction projects.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are expensed. Major outlays for capital assets and improvements are capitalized at completion of construction projects.

Prior to the implementation of GASB No. 34, governmental fund's infrastructure assets were not capitalized. The Town has elected to capitalize infrastructure expenditures on a prospective basis.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected 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 type of asset is as follows:

Buildings and improvements	20 – 40 years
Infrastructure	20 – 40 years
Tractors	5 – 10 years
Furniture and equipment	3 – 10 years
Vehicles	5 – 6 years

Right of Use Assets

Right of use assets are a result of leases in which the Town has entered into a contract with a lessor that conveys control of the right to use the lessor's nonfinancial asset as specified by the contract for a period of time in an exchange or exchange-like transaction. Such assets are reported on the government-wide financial statements net of amortization. Right of use assets are amortized at the lesser of the useful life or lease term. The Town has not entered into any agreements gaining control of the right to use a lessor's nonfinancial assets as described above at December 31, 2023.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements

In the fund financial statements capital assets used in governmental fund operations are recorded as capital outlay expenditures of the governmental fund types when purchased. Capital assets used in proprietary fund operations are accounted for in the same manner as in government-wide statements.

Property, plant and equipment used by the proprietary funds are stated at cost. Interest costs incurred during construction periods are capitalized. Depreciation has been provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives are as follows:

Buildings and improvements	20 – 40 years
Utility systems	15 – 40 years
Machinery and equipment	3 – 10 years
Furniture and equipment	3 – 10 years
Vehicles	5 – 6 years

Compensated Absences

The Town has the following policy relating to compensated absences:

<u>Length of Service</u>	<u>Annual Earned Hourly Allowance</u>
1 – 5 years	80
6 – 9 years	96
10+ years	120

An employee may not carry over compensated absences from one calendar year to another, therefore a liability has not been accrued in the fund financial statements for compensated absences.

Governmental Activities and Business-Type Activities Net Position

Governmental activities and business-type activities net position is divided into three components:

- Net investment in capital assets – consist of the historical cost of capital assets less accumulated depreciation and related debt that was used to acquire those assets.
- Restricted net position – consist of net position that is restricted by the Town’s creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted – all other net position is reported in this category.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

- Nonspendable – amounts that cannot be spent because they are either in a nonspendable form or they are legally or contractually required to be maintained intact.
- Restricted – amounts that can be spent only for specific purposes because of the Town Code, state or federal laws, or externally imposed conditions by grantors or creditors.
- Committed – amounts that can be used only for specific purposes determined by a formal action by Town council ordinance.
- Assigned – amounts that are designated by the Mayor for a particular purpose but are not spendable until a budget ordinance is passed or there is a majority vote approval (for capital projects or debt service) by Town Council.
- Unassigned – all amounts not included in other spendable classifications.

Use of Restricted Resources

When an expense is incurred in government activities that can be paid using either restricted or unrestricted resources (net position), the Town's policy is to first apply the expense to the restricted net position before unrestricted net position is utilized.

When an expense is incurred in governmental funds that can be paid using either restricted or unrestricted resources (fund balance), the Town's policy is to apply the expenditure in the following priority:

1. Restricted fund balance,
2. Committed fund balance,
3. Assigned fund balance, and
4. Unassigned fund balance.

Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then. The Town has two items that qualify for this category; pension liability and bond refunding, which is reported in the government-wide statement.

(continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows and Inflows of Resources (Continued)

In addition to liabilities, the Statement of Net Position, or Balance Sheet, will sometimes report separate sections for deferred inflows of resources. This separate financial element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) at that time. The Town's only item that qualifies for this category is pension liability. The amounts deferred and recognized as an inflow of resources in the period that the amounts become available.

Budget Policy and Budgetary Accounting

A proposed budget is prepared and submitted to the Mayor and Town Council prior to the beginning of each fiscal year. A budget summary and notice of a public hearing is published with the public hearing being conducted prior to the commencement of the budget year. The Town follows the requirements of Louisiana Budget Law. The Town is required to adopt its budget prior to December 31. Once adopted, the Mayor is able to transfer part or all of any appropriation within a department of a fund; however, the authority for other budget amendments resides with the Town Council.

The annual operating budget, prepared on the modified accrual basis, covers the General Fund and Public Utility Fund. At the end of the fiscal year, unexpended appropriations automatically lapse. Budget amendments are approved by the Town Council and are included in the financial statements.

In connection with budget preparation, a portion of the unassigned fund balance of an individual fund may be designated for expenditures of the subsequent year. Such designation represents the extent to which the fund balance is used to balance the subsequent year's operating budget of that fund, as reflected in the legally adopted budget.

Sales and Use Tax

The Town has a permanent one cent sales and use tax that is available for general purposes.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds and the government-wide financial statements during the reporting period. Actual results could differ from those estimates. Estimates are used primarily when accounting for the allowance for uncollectible accounts, net pension liability, and depreciation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

In preparing these financial statements, the Town has evaluated events and transactions for potential recognition or disclosure through June 18, 2024, which was the date the financial statements were available to be issued.

NOTE 2 - CASH AND CASH EQUIVALENTS

The Town may invest in United States bonds, treasury notes, or certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the State of Louisiana or other qualifying federally insured investments.

Custodial credit risk is the risk that in the event of a financial institution failure, the Town's deposits may not be returned to them. To mitigate this risk, state law requires public deposits to be secured by federal deposit insurance or the pledge of qualified securities owned by the fiscal agent financial institution. As of December 31, 2023, the Town had no deposits exposed to custodial risk.

As of December 31, 2023, the Town had a balance of \$563,812 invested in LAMP.

LAMP is administered by a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pools 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. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955.

GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public investments.

LAMP is an investment pool that, to the extent practical, invest in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.

NOTE 2 - CASH AND EQUIVALENTS (CONTINUED)

- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 70 days as of December 31, 2023.
- Foreign currency risk: Not applicable.

The investments in LAMP are stated at fair value. 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 net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

The government's investments are categorized as either (1) insured or registered for which the securities are held by the government or its agent in the government's name, (2) uninsured and unregistered for which the securities are held by the broker's or dealer's trust department or agent in the government's name, or (3) uninsured and unregistered for which securities are held by the broker or dealer, or by its trust department or agent but not in the government's name. Cash and cash equivalents consisted of the following as of December 31, 2023:

	Restricted	Unrestricted	Total
Investments in LAMP	\$ 289,554	\$ 274,258	\$ 563,812
Deposits	22,973	97,133	120,106
Cash on hand	-	1,104	1,104
	\$ 312,527	\$ 372,495	\$ 685,022

NOTE 3 - ACCOUNTS RECEIVABLE AND DUE FROM OTHER GOVERNMENTS

Accounts receivable at December 31, 2023 for the primary government, were as follows:

Primary Government

Utility charges, net	\$	9,014
Franchise taxes		6,431
Total primary government	\$	15,445

**NOTE 3 - ACCOUNTS RECEIVABLE AND DUE FROM OTHER GOVERNMENTS
(CONTINUED)**

Due from other governments at December 31, 2023 for the primary government, were:

Primary Government

Ad valorem taxes	\$ 47,812
Video poker taxes	701
Other	<u>1,984</u>
Total primary government	<u>\$ 50,497</u>

As of December 31, 2023, the Town has a balance of \$14,909 in customer billing collections that have been paid in advance.

NOTE 4 - AD VALOREM TAXES

The 1974 Louisiana Constitution (Article 7 Section 18) provided that land and improvements for residential purposes be assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, are to be assessed at 15% of fair market value; and public service properties, excluding land, are to be assessed at 25% of fair market value.

Fair market value is determined by the elected assessor of the parish on all property subject to taxation except public service properties, which are valued by the Louisiana Tax Commission (LRS 47:1957). The correctness of assessments by the assessor is subject to review and certification by the Louisiana Tax Commission. The assessor is required to reappraise all property subject to taxation at intervals of not more than four years.

All ad valorem (property) taxes are recorded in governmental funds, and as explained in Note 1, and are recognized in the accounting period in which they become available and measurable. Property taxes are considered measurable in the calendar year of the tax levy. Accordingly, the taxes assessed for the calendar year falling within the current fiscal year are recorded as revenue. Property taxes are collected by the tax collector and remitted to the Town within the availability period, and are therefore, available to liquidate liabilities of the current period.

Taxes are levied by the Town in September or October and are billed to the taxpayers in November. Billed taxes become delinquent on December 31st. Revenues from ad valorem taxes are budgeted in the year assessed. Ad valorem taxes attach as an enforceable lien on property as of January 1st of each year.

For 2023, taxes of 12.810 mills were levied on property with assessed valuations totaling \$4,306,230 and were dedicated to general governmental operations. Total taxes levied were \$55,163.

NOTE 5 - CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2023, is as follows:

	<u>Beginning</u> Balance	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 61,450	\$ -	\$ -	\$ 61,450
 Capital assets being depreciated:				
Buildings and improvements	1,026,696	58,504	-	1,085,200
Tractors and equipment	162,119	-	-	162,119
Office furniture and equipment	144,385	1,500	-	145,885
Vehicles	84,984	-	22,977	62,007
Capital assets being depreciated:	<u>1,418,184</u>	<u>60,004</u>	<u>22,977</u>	<u>1,455,211</u>
 Less accumulated depreciation for:				
Buildings and improvements	381,482	30,454	-	411,936
Tractors and equipment	100,050	11,968	-	112,018
Office furniture and equipment	130,904	3,343	-	134,247
Vehicles	52,244	6,123	18,310	40,057
Total accumulated depreciation	<u>664,680</u>	<u>51,888</u>	<u>18,310</u>	<u>698,258</u>
Total capital assets being depreciated, net	<u>753,504</u>	<u>8,116</u>	<u>4,667</u>	<u>756,953</u>
Total governmental capital assets, net	<u>\$ 814,954</u>	<u>\$ 8,116</u>	<u>\$ 4,667</u>	<u>\$ 818,403</u>

Depreciation expense was charged to functions of the Town as follows:

	<u>Amount</u>
Governmental activities:	
Public safety	\$ 6,022
Culture and recreation	26,861
Highways and streets	13,072
General government	5,933
Total depreciation expense - governmental activities	<u>\$ 51,888</u>

NOTE 5 - CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 9,950	\$ -	\$ -	\$ 9,950
Capital assets being depreciated:				
Water system	1,597,419	57,673	-	1,655,092
Tractors and equipment	79,990	7,180	-	87,170
Office furniture and equipment	1,238	-	-	1,238
Vehicles	23,844	-	-	23,844
Capital assets being depreciated:	1,702,491	64,853	-	1,767,344
Less accumulated depreciation for:				
Water system	912,791	38,847	-	951,638
Tractors and equipment	74,745	526	-	75,271
Office furniture and equipment	1,238	-	-	1,238
Vehicles	23,844	-	-	23,844
Total accumulated depreciation	1,012,618	39,373	-	1,051,991
Total capital assets being depreciated, net	689,873	25,480	-	715,353
Total business-type capital assets, net	\$ 699,823	\$ 25,480	\$ -	\$ 725,303

Depreciation expense for business-type activities for 2023 was \$39,373.

NOTE 6 - PENSION PLAN

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

NOTE 6 - PENSION PLAN (CONTINUED)

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

MERS: 7937 Office Park Boulevard | Baton Rouge, Louisiana 70809 | www.mersla.com

MPERS: 7722 Office Park Boulevard | Baton Rouge, Louisiana 70809 | www.lampers.org

Plan Descriptions:

Municipal Employees’ Retirement System of Louisiana (MERS)

The Municipal Employees' Retirement System of Louisiana (MERS) is the administrator of a cost sharing multiple-employer defined benefit pension plan. The System was originally established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana. The System provides retirement benefits to employees of all incorporated villages, towns and cities within the State which do not have their own retirement system, and which elect to become members of the System. The Town is a participant in Plan B only.

Municipal Police Employees’ Retirement System of Louisiana (MPERS)

The Municipal Police Employees' Retirement System (MPERS) is the administrator of a cost-sharing multiple-employer plan. 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, providing he or she does not have to pay social security and providing he or she meets the statutory criteria. The System provides retirement benefits for municipal police officers.

Funding Policy

Contributions to the plans are required and determined by State statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended December 31, 2023, for the Town and covered employees were as follows:

	<u>Town</u>	<u>Employees</u>
Municipal Employees' Retirement System (Plan B)	15.50%	5.00%
Municipal Police Employees' Retirement System		
All employees hired prior to 01/01/2013 and all		
Hazardous Duty employees hired after 01/01/2013	31.25%	10.00%
Non-Hazardous Duty (hired after 01/01/2013)	31.25%	8.00%
Employees receiving compensation below poverty		
guidelines of US Department of Health	33.75%	7.50%

NOTE 6 - PENSION PLAN (CONTINUED)

Funding Policy (continued)

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

Plan	2023	2022	2021
MERS (Plan B)	\$ 12,333	\$ 12,252	\$ 11,373
MPERS	<u>3,325</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 15,658</u>	<u>\$ 12,252</u>	<u>\$ 11,373</u>

Pension Liabilities and Expense and Deferred Outflows and Inflows of Resources

The following schedule lists the Town's proportionate share of the net pension liability allocated by each of the pension plans for based on the June 30, 2023 measurement date. The Town uses this measurement date to record its net pension liability and associated amounts as of December 31, 2023 in accordance with GASB Statement No. 68. The schedule also includes the proportionate share allocation rate used at June 30, 2023 along with the change compared to the June 30, 2022 rate. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

	Net Pension Liability at June 30, 2023	Current Measurement Rate	Previous Measurement Rate	Increase (Decrease)
MERS	\$ 74,306	0.092667%	0.095735%	-0.003068%
MPERS	<u>33,185</u>	0.003141%	-	0.003141%
Total	<u>\$ 107,491</u>			

The following schedule list each pension plan's recognized net pension expense (benefit) of the Town for the year ended December 31, 2023:

Municipal Police Employees' Retirement Fund	\$ 4,429
Municipal Employees' Retirement Fund	<u>(299)</u>
Total	<u>\$ 4,130</u>

NOTE 6 - PENSION PLAN (CONTINUED)

**Pension Liabilities and Expense and Deferred Outflows and Inflows of Resources
(Continued)**

At December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,406	\$ 41
Changes of assumptions	554	-
Net difference between projected and actual earnings on pension plan investments	13,222	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	19,423	1,469
Differences between allocated and actual contributions	-	-
Employer contributions subsequent to the measurement date	8,796	-
	\$ 45,401	\$ 1,510

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Municipal Employees' System (Plan B)	\$ 15,907	\$ 1,496
Municipal Police Employees' Retirement Fund	29,494	14
Total	\$ 45,401	\$ 1,510

The Town reported \$4,983 as deferred outflow of resources related to pension contributions into the MERS plan made subsequent to the measurement date of June 30, 2023, which will be recognized as a reduction in net pension liability in the year ended December 31, 2023. There were \$3,813 of contributions into the MPERS made subsequent to the measurement date of June 30, 2023.

(continued)

NOTE 6 - PENSION PLAN (CONTINUED)

**Pension Liabilities and Expense and Deferred Outflows and Inflows of Resources
(Continued)**

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

Year	MERS	MPERS	Total
2024	\$ 2,530	\$ 8,535	\$ 11,065
2025	1,004	7,334	8,338
2026	6,302	9,975	16,277
2027	(408)	(177)	(585)
	\$ 9,428	\$ 25,667	\$ 35,095

Actuarial Assumptions

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

	Valuation Date	Expected Remaining Service Lives	Investment Rate of Return, net
MERS	June 30, 2023	3 years	6.850%
MPERS	June 30, 2023	4 years	6.750%

The MERS actuarial assumptions used in the June 30, 2023 valuation was based on the results of an experience study, for the period July 1, 2013 through June 30, 2018. The MPERS actuarial assumptions used in the June 30, 2023 valuation was based on the results of an experience study, for the period July 1, 2014 through June 30, 2019.

Mortality:

MERS

PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales for annuitant and beneficiary mortality.

PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales for employee mortality.

PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 for disabled lives mortality.

NOTE 6 - PENSION PLAN (CONTINUED)

Actuarial Assumption (continued)

Mortality (continued):

MPERS

For annuities 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 MP 2019 scale was used.

For disabled lives, the Pub-2010 public retirement plans mortality table for safety disable retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used.

For employees, the Pub-2010 public retirement plans mortality table for safety below-median employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.

Salary Increases:

MERS

<u>Years of Service</u>	<u>Salary Growth Rate</u>
1- 4	7.40%
>4	4.90%

MPERS

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

Cost of Living Adjustments:

MERS

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

NOTE 6 - PENSION PLAN (CONTINUED)

Actuarial Assumptions (continued)

Cost of Living Adjustments (continued):

MPERS

The Board of Trustees is authorized to provide annual cost-of-living adjustments computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility.

No regular retiree, survivor or beneficiary shall be eligible to receive a cost-of-living adjustment until benefits have been received at least one full fiscal year and the payment of such COLA, when authorized, shall not be effective until the lapse of at least one-half of the fiscal year. Members who elect early retirement are not eligible for a cost of living adjustment until they reach regular retirement age.

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

MERS

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rates of return is 6.85% for the year ended June 30, 2023.

MPERS

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

NOTE 6 - PENSION PLAN (CONTINUED)

Actuarial Assumptions (continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2023, are summarized in the following table:

Asset Class	Target Allocation		Long - Term Expected Portfolio Real Rate of Return	
	MERS	MPERS	MERS	MPERS
Equity	56%	52%	2.44%	3.29%
Fixed Income	29%	34%	1.26%	1.12%
Alternatives	15%	14%	0.65%	0.95%
Total	100%	100%	4.35%	5.36%
Inflation			2.50%	2.54%
Expected Arithmetic Nominal Return			6.85%	7.90%

Discount Rate

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and adjusting for the effect of rebalancing/diversification. The discount rate used to measure the total pension liability for MERS and MPERS was 6.85% and 6.75%, respectively for the year ended June 30, 2023.

Sensitivity to Changes in Discount Rate

The following table presents the Town's proportionate share of the net pension liability (NPL) using the discount rate of each Retirement System as well as what the Town's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the retirement systems:

	1.0% Decrease	Current Discount Rate	1.0% Increase
MERS			
Discount Rates	5.850%	6.850%	7.850%
Shares of Net Pension Liability	\$ 104,995	\$ 74,306	\$ 48,348
MPERS			
Discount Rates	5.750%	6.750%	7.750%
Shares of Net Pension Liability	\$ 46,693	\$ 33,185	\$ 21,900

NOTE 7 - COMMITMENTS AND CONTINGENCIES

Risk Management

The Town is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the Town carries commercial insurance. There were no major changes in insurance coverage from the prior year and settlements have not exceeded coverage in the current year or in the past three years.

Grants

The Town receives federal and state grants for specific purposes that are subject to audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. It is the opinion of the Town management that its compliance with the terms of grants will result in negligible, if any, disallowed costs.

NOTE 8 - ON BEHALF PAYMENTS

The full-time police officers of the police department receive supplemental pay from the State of Louisiana under the provisions of L.R.S. 33:2002. Each full-time police officer after their second year of service, received \$600 per month. These supplemental state funds are paid directly to the police officers, and do not pass through the police department, they are included in total salaries and as revenue. The total amount received by the qualified full-time police officers was \$6,600.

NOTE 9 - COMPENSATION OF GOVERNING BODY

During 2023, Council members received compensation as follows:

	<u>Amount</u>
Cody Gros	\$ 600
Beth LaCombe	600
Kirk LaCombe	600
Tori Robillard	600
Don Sonnier	<u>600</u>
Total	<u>\$ 3,000</u>

(continued)

NOTE 10 - RESTATEMENT OF NET POSITION

During 2023, the Town identified an error in the valuation of accounts receivable for the prior period due to a misinterpretation of the utility billing software reporting. Included or net against the accounts receivable balance were collections on utility billings in advance of the service being provided. The prior period adjustment affects are shown below:

	<u>Assets</u>	<u>Liabilities</u>	<u>Net position</u>
Balance as of December 31, 2022	\$ 185,474	\$ 87,659	\$ 810,151
Accounts receivable, net understated	7,624	-	-
Customer prepayment on utility charges understated	-	11,079	-
Revenue overstated	-	-	(3,455)
Balance as of December 31, 2022, restated	<u>\$ 193,098</u>	<u>\$ 98,738</u>	<u>\$ 806,696</u>

TOWN OF FORDOCHE, LOUISIANA

REQUIRED SUPPLEMENTARY INFORMATION

**TOWN OF FORDOCHE, LOUISIANA
GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended December 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - positive (negative)</u>
REVENUES				
Taxes:				
Sales and use	\$ 115,000	\$ 115,000	\$ 111,190	\$ (3,810)
Ad valorem	50,000	50,000	55,069	5,069
Video poker	20,000	20,000	20,463	463
Franchise	30,000	30,000	31,013	1,013
Fines	12,100	12,100	9,261	(2,839)
License and permits	28,930	28,930	27,339	(1,591)
Intergovernmental	100	100	11,600	11,500
Charges for services	43,749	43,749	61,264	17,515
Investment income	125	125	24,638	24,513
Miscellaneous	500	500	-	(500)
	<u>300,504</u>	<u>300,504</u>	<u>351,837</u>	<u>51,333</u>
EXPENDITURES				
Current function:				
General government	179,436	179,436	141,116	38,320
Public safety	55,830	55,830	50,829	5,001
Highways and streets	79,282	79,282	45,219	34,063
Health and welfare	500	500	178	322
Culture and recreation	29,752	29,752	63,888	(34,136)
Capital outlay	49,000	49,000	60,004	(11,004)
	<u>393,800</u>	<u>393,800</u>	<u>361,234</u>	<u>32,566</u>
Total expenditures	<u>393,800</u>	<u>393,800</u>	<u>361,234</u>	<u>32,566</u>
Net change in fund balance	<u>\$ (93,296)</u>	<u>\$ (93,296)</u>	(9,397)	<u>\$ 83,899</u>
FUND BALANCE				
Beginning of year, restated			<u>351,124</u>	
End of year			<u>\$ 341,727</u>	

TOWN OF FORDOCHE, LOUISIANA

NOTE TO BUDGETARY INFORMATION

For the year ended December 31, 2023

NOTE 1 - BUDGET

Budget Policy and Budgetary Accounting

A proposed budget is prepared and submitted by the Mayor to the Town Council prior to the beginning of each fiscal year. A budget summary and notice of a public hearing is published with the public hearing being conducted prior to the commencement of the budget year.

The annual operating budget, prepared on the modified accrual basis, covers the general fund and enterprise fund (accrual basis). At the end of the fiscal year, unexpended appropriations automatically lapse. Budget amendments are approved by the Town Council and are included in the financial statements.

In connection with budget preparation, a portion of the unassigned fund balance of an individual fund may be designated for expenditures of the subsequent year. Such designation represents the extent to which the fund balance is used to balance the subsequent year's operating budget of that fund, as reflected in the legally adopted budget.

Basis of Accounting

All of the Town's funds budgets are prepared on the modified accrual basis of accounting, which is described in Note 1 to the Town's financial statements for the year ended December 31, 2023. The Town's basis of budgetary accounting follows generally accepted accounting principles.

TOWN OF FORDOCHE, LOUISIANA
SCHEDULE OF PROPORTIONATE SHARE
OF NET PENSION LIABILITY
LAST TEN FISCAL YEARS (1)(2)

	MERS (Plan B)	
As of the plan year ended (2):	2023	2022
Employer's Proportion of the Net Pension Liability	0.0927%	0.0957%
Employer's Proportionate Share of the Net Pension Liability	\$ 74,306	\$ 84,054
Employer's Covered Payroll	\$ 79,702	\$ 73,547
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	93.23%	114.29%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.250%	69.760%
As of the plan year ended (2):	2021	2020
Employer's Proportion of the Net Pension Liability	0.0949%	0.0941%
Employer's Proportionate Share of the Net Pension Liability	\$ 54,949	\$ 85,263
Employer's Covered Payroll	\$ 72,899	\$ 74,506
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	75.38%	114.44%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.140%	66.260%
As of the plan year ended (2):	2019	2018
Employer's Proportion of the Net Pension Liability (Asset)	0.0936%	0.0918%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 81,895	\$ 77,655
Employer's Covered Payroll	\$ 73,350	\$ 70,136
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	111.65%	110.72%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.140%	65.600%
As of the plan year ended (2):	2017	2016
Employer's Proportion of the Net Pension Liability (Asset)	0.0881%	0.0840%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 76,236	\$ 69,605
Employer's Covered Payroll	\$ 65,554	\$ 61,191
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	116.29%	113.75%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.500%	63.300%
As of the plan year ended:	2015	
Employer's Proportion of the Net Pension Liability (Asset)	0.0928%	
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 63,091	
Employer's Covered Payroll	\$ 64,412	
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	97.95%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.700%	

(1) Schedule is intended to show information for 10 years. Additional years will be displayed as available.

(2) The amounts presented have a measurement date of MERS's prior June 30th plan year end.

MERS = Municipal Employees' Retirement System

**TOWN OF FORDOCHE, LOUISIANA
SCHEDULE OF PROPORTIONATE SHARE
OF NET PENSION LIABILITY
LAST TEN FISCAL YEARS (1)(2)**

	MPERS
As of the plan year ended:	2023
Employer's Proportion of the Net Pension Liability	0.0031%
Employer's Proportionate Share of the Net Pension Liability	\$ 33,185
Employer's Covered Payroll	\$ 49,879
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	66.53%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.250%

(1) Schedule is intended to show information for 10 years. Additional years will be displayed as available.

(2) The amounts presented have a measurement date of MERS's prior June 30th plan year end.

MPERS = Municipal Police Employees' Retirement System

TOWN OF FORDOCHE, LOUISIANA
SCHEDULE OF PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS (1)(2)

	<u>MERS (Plan B)</u>	
	<u>2023</u>	<u>2022</u>
As of the plan year ended (2):		
Contractually Required Contribution	\$ 11,254	\$ 12,252
Contributions in Relation to Contractually Required Contribution	<u>12,910</u>	<u>12,252</u>
Contribution Deficiency (Excess)	<u>\$ (1,656)</u>	<u>\$ -</u>
Employer's Covered Payroll	\$ 72,608	\$ 78,832
Contributions as a % of Covered Payroll	15.50%	15.50%
As of the plan year ended (2):	<u>2021</u>	<u>2020</u>
Contractually Required Contribution	\$ 11,373	\$ 10,431
Contributions in Relation to Contractually Required Contribution	<u>11,373</u>	<u>10,208</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ 473</u>
Employer's Covered Payroll	\$ 75,940	\$ 74,506
Contributions as a % of Covered Payroll	15.00%	14.00%
As of the plan year ended (2):	<u>2019</u>	<u>2018</u>
Contractually Required Contribution	\$ 10,269	\$ 9,293
Contributions in Relation to Contractually Required Contribution	<u>10,019</u>	<u>9,015</u>
Contribution Deficiency (Excess)	<u>\$ 250</u>	<u>\$ 278</u>
Employer's Covered Payroll	\$ 73,350	\$ 70,136
Contributions as a % of Covered Payroll	14.00%	13.25%
As of the plan year ended (2):	<u>2017</u>	<u>2016</u>
Contractually Required Contribution	\$ 7,211	\$ 5,861
Contributions in Relation to Contractually Required Contribution	<u>7,194</u>	<u>5,861</u>
Contribution Deficiency (Excess)	<u>\$ 17</u>	<u>\$ -</u>
Employer's Covered Payroll	\$ 65,554	\$ 61,691
Contributions as a % of Covered Payroll	11.00%	9.50%
As of the plan year ended:	<u>2015</u>	
Contractually Required Contribution	\$ 6,119	
Contributions in Relation to Contractually Required Contribution	<u>6,119</u>	
Contribution Deficiency (Excess)	<u>\$ -</u>	
Employer's Covered Payroll	\$ 64,412	
Contributions as a % of Covered Payroll	9.50%	

(1) Schedule is intended to show information for 10 years. Additional years will be displayed as available.

(2) The amounts presented have a measurement date of the Town's fiscal year.

MERS = Municipal Employees' Retirement System

TOWN OF FORDOCHE, LOUISIANA
SCHEDULE OF PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS (1)(2)

	MPERS
As of the plan year ended:	2023
Contractually Required Contribution	\$ 7,137
Contributions in Relation to Contractually Required Contribution	7,137
Contribution Deficiency (Excess)	\$ -
 Employer's Covered Payroll	 \$ 21,877
Contributions as a % of Covered Payroll	32.623%

(1) Schedule is intended to show information for 10 years. Additional years will be displayed as available.

(2) The amounts presented have a measurement date of the Town's fiscal year.

MPERS = Municipal Police Employees' Retirement System

TOWN OF FORDOCHE, LOUISIANA

NOTES TO SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND SCHEDULE OF PENSION CONTRIBUTIONS

For the year ended December 31, 2023

NOTE 1 - NET PENSION LIABILITY

Municipal Employees' Retirement System (Plan B):

The changes in assumptions balance was a result of changes in the discount rate. The following are the discount rates used in each measurement of net pension liability (asset):

<u>Measurement Date</u>	<u>Discount Rate</u>		<u>Inflation Rate</u>		<u>Expected Remaining Service Lives</u>
	<u>Rate</u>	<u>Change</u>	<u>Rate</u>	<u>Change</u>	
6/30/2023	6.850%	0.000%	2.500%	0.000%	3
6/30/2022	6.850%	-0.100%	2.500%	0.000%	3
6/30/2021	6.950%	-0.050%	2.500%	0.000%	3
6/30/2020	7.000%	-0.280%	2.500%	-0.100%	3
6/30/2019	7.280%	-0.120%	2.600%	-0.180%	3
6/30/2018	7.400%	-0.100%	2.780%	-0.100%	4
6/30/2017	7.500%	0.000%	2.880%	0.000%	4
6/30/2016	7.500%	-0.250%	2.880%	-0.120%	4
6/30/2015	7.750%		3.000%		4

<u>Measurement Date</u>	<u>Investment Rate of Return</u>		<u>Salary Increases</u>	
	<u>Rate</u>	<u>Change</u>	<u>Rate</u>	<u>Change</u>
6/30/2023	6.850%	0.000%	4.900%	0.000%
6/30/2022	6.850%	-0.100%	4.900%	0.000%
6/30/2021	6.950%	-0.050%	4.900%	0.000%
6/30/2020	7.000%	-0.280%	4.900%	-0.100%
6/30/2019	7.280%	-0.120%	5.000%	0.000%
6/30/2018	7.400%	-0.100%	5.000%	0.000%
6/30/2017	7.500%	0.000%	5.000%	0.000%
6/30/2016	7.500%	-0.250%	5.000%	-0.800%
6/30/2015	7.750%		5.800%	

NOTE 1 - NET PENSION LIABILITY (CONTINUED)

Municipal Police Employees' Retirement System:

The changes in assumptions balance was a result of changes in the discount rate. The following are the discount rates used in each measurement of net pension liability (asset):

Measurement Date	Discount Rate		Merit Raise		Inflation Rate	
	Rate	Change	Rate	Change	Rate	Change
6/30/2023	6.750%	0.000%	2.200%	-0.280%	2.500%	0.000%
6/30/2022	6.750%	0.000%	2.480%	0.280%	2.500%	0.000%
6/30/2021	6.750%	-0.200%	2.200%	0.000%	2.500%	-0.050%
6/30/2020	6.950%	-0.175%	2.200%	-0.050%	2.550%	-0.200%
6/30/2019	7.125%	-0.075%	2.250%	0.100%	2.750%	0.000%
6/30/2018	7.200%	-0.125%	2.150%	0.100%	2.750%	0.000%
6/30/2017	7.325%	-0.175%	2.050%	0.175%	2.750%	0.000%
6/30/2016	7.500%	0.000%	1.875%	0.000%	2.750%	-0.250%
6/30/2015	7.500%		1.875%		3.000%	

Measurement Date	Investment Rate of Return		Salary Increases	
	Rate	Change	Rate	Change
6/30/2023	7.900%	1.150%	4.700%	-0.280%
6/30/2022	6.750%	0.000%	4.980%	0.280%
6/30/2021	6.750%	-0.200%	4.700%	-0.050%
6/30/2020	6.950%	-0.175%	4.750%	-0.250%
6/30/2019	7.125%	-0.075%	5.000%	0.100%
6/30/2018	7.200%	-0.125%	4.900%	0.100%
6/30/2017	7.325%	-0.175%	4.800%	0.175%
6/30/2016	7.500%	0.000%	4.625%	-0.250%
6/30/2015	7.500%		4.875%	

TOWN OF FORDOCHE, LOUISIANA

OTHER SUPPLEMENTARY INFORMATION

TOWN OF FORDOCHE, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND
OTHER PAYMENTS TO AGENCY HEAD

For the year ended December 31, 2023

Agency Head: Mayor Teddy Gros

<u>Purpose</u>	<u>Amount</u>
Salary	<u>\$ 6,000</u>

TOWN OF FORDOCHE, LOUISIANA
ACT 87 JUSTICE SYSTEM FUNDING SCHEDULE
COLLECTING/DISBURSING ENTITY

For the year ended December 31, 2023

	First Six Month Period Ending, June 30, 2023	Second Six Month Period Ending, December 31, 2023
BEGINNING BALANCE OF AMOUNTS COLLECTED	\$ -	\$ -
COLLECTIONS:		
Criminal Fines - Other	5,223	3,770
Court Costs	148	120
TOTAL COLLECTIONS:	<u>5,371</u>	<u>3,890</u>
DISBURSEMENTS TO GOVERNMENTS AND NON-PROFITS:		
Louisiana Supreme Court	16	11
Capital District Law Enforcement, Traffic fines	58	42
CMIS, Traffic fines	29	21
LA Dept of Health & Hospitals THI/SCI - Criminal fines	110	75
Louisiana Judicial College, Traffic fines	13	11
TOTAL DISBURSEMENTS	<u>226</u>	<u>160</u>
AMOUNTS RETAINED BY COLLECTING AGENCY:		
Town of Fordoche, Collections	-	-
AMOUNT "SELF-DISBURSED" TO COLLECTING AGENCY	<u>5,145</u>	<u>3,730</u>
TOTAL DISBURSEMENTS / RETAINAGE	<u>5,371</u>	<u>3,890</u>
TOTAL ENDING BALANCE OF AMOUNTS COLLECTED AND NOT DISBURSED	<u>\$ -</u>	<u>\$ -</u>

TOWN OF FORDOCHE, LOUISIANA

OTHER INDEPENDENT AUDITORS' REPORT

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

June 18, 2024

Mr. Teddy Gros, Mayor
Town of Fordorche, Louisiana
5390 Fordoche Rd.
Fordoche, Louisiana 70732

We have performed the procedures enumerated below on the Town of Fordoche, Louisiana (the Town) compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2023, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Town's management is responsible for its financial records and compliance with applicable laws and regulations.

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 Town's compliance with the laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2023. Additionally, the Louisiana Legislative Auditor 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:

Public Bid Law

- 1) Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$30,000, and public works exceeding \$250,000. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1755 (the state procurement code), R.S. 38:2211-2296 (the public bid law), or the regulations of the Division of Administration and the State Purchasing Office, whichever is applicable; and report whether the expenditures were made in accordance with these laws.

No exceptions noted.

Code of Ethics for Public Officials and Public Employees

- 2) Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the ethics law).

Management provided us with the requested information.

- 3) Obtain a list of all employees paid during the fiscal year.

Management provided us with the requested information.

- 4) Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

Management provided the requested information. None of the employees' names appeared on both lists.

- 5) Obtain a list of all disbursements made during the year; and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.

Management provided the requested information. None of the businesses of board members, employees, and board members' and employees' immediate families appeared as vendors on the list of disbursements.

Budgeting

- 6) Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget and all amendments to the budget.

- 7) Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

We traced adoption of the original budget to documentation in the minutes of the meeting of the Town's commissioners held on October 11, 2022. There were no amendments to the budget as of December 31, 2023.

- 8) Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more. (For agencies that must comply with the Licensing Agency Budget Act only, compare the expenditures of the final budget to actual expenditures, and report whether actual expenditures exceeded budgeted amounts by 10% or more per category or 5% or more in total).

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures exceeded budgeted revenues and expenditures. Expenditures for the year were in excess of amounts budgeted by 8.3%; and revenues were 17.1% in excess of amounts budgeted for the year.

Accounting and Reporting

- 9) Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements, and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and: (a) report whether the six disbursements agree to the amount and payee in the supporting documentation, (b) report whether the six disbursements are coded to the correct fund and general ledger account, and (c) report whether the six disbursements were approved in accordance with management's policies and procedures.

No exceptions noted.

Meetings

- 10) Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 (the open meetings law); and report whether there are any exceptions.

Meetings were advertised on the Town's website.

Debt

- 11) Obtain bank deposit slips for the fiscal year and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

We scanned copies of all bank deposit slips for the fiscal year, and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

- 12) Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

We scanned payroll disbursements and read the meeting minutes of the Town's board of commissioners for the fiscal year. We found no payments or approval for payments to employees that would constitute bonuses, advances, or gifts.

State Audit Law

- 13) Report whether the agency provided for a timely report in accordance with R.S. 24:513.

The Town's report was due on June 30, 2023 and was submitted on June 13, 2023.

- 14) Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Management represented that the Town entered into no contracts that were subject to the Public Bid Law.

- 15) Obtain and report management's representation as to whether any prior-year suggestions, recommendations, and/or comments have been resolved.

Our prior year report, dated June 13, 2023, did not include any suggestions, exceptions, recommendations, or comments.

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 the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. 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 the Town's compliance with the foregoing matters. 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 the Town's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, 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 Louisiana Legislative Auditor as a public document.

Faulk & Winkler, LLC
Certified Public Accountants

Baton Rouge, Louisiana
June 18, 2024