

TOWN OF CAMPTI, LOUISIANA
ANNUAL FINANCIAL REPORT
JUNE 30, 2022

Town of Campti, Louisiana
Financial Report
June 30, 2022

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Town of Campti, Louisiana

P. O. Box 216
Campti, LA 71411

MANAGEMENT'S DISCUSSION AND ANALYSIS for the Year ended June 30, 2022

The Management's Discussion and Analysis of the Town of Campti's financial performance presents a narrative overview and analysis of the Town's financial activities for the year ended June 30, 2022. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the Town of Campti's financial statements, which begin on page 10.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. These statements tell how the services were financed in the short-term as well as what remains for future spending.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities. The Town uses funds to ensure and demonstrate compliance with finance related laws and regulations. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources at the end of the year. As the Government-Wide Financial Statements includes the long-term view, comparisons between these two views may provide insight into the long-term impact of short-term financing decreases. Both the governmental funds balance sheet and the governmental funds operating statement provide a reconciliation to assist in understanding the difference between these two views.

The Town conducts its day-to-day operations through a governmental fund, the General Fund, and a business-type activity, the Town's utility system.

A Summary of basic government-wide financial statements is as followed:

Summary of Statement of Net Position

	June 2022			June 2021		
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total
ASSETS:						
Assets	\$ 116,592	\$ 368,254	\$ 484,846	\$ 120,491	189,845	310,336
Capital Assets, Net of Accumulated Deprecation	<u>85,858</u>	<u>1,466,372</u>	<u>1,552,230</u>	<u>95,002</u>	<u>1,497,607</u>	<u>1,592,609</u>
Total Current Assets	<u>\$ 202,450</u>	<u>\$ 1,834,626</u>	<u>\$ 2,037,076</u>	<u>\$ 215,493</u>	<u>\$1,687,452</u>	<u>\$ 1,902,945</u>
Deferred Outflows of Resources	<u>\$ 14,388</u>	<u>\$ 14,388</u>	<u>\$ 28,776</u>	<u>\$ 35,640</u>	<u>\$ 35,641</u>	<u>\$ 71,281</u>
LIABILITIES:						
Advance from Grantors	\$ -	\$ 193,933	\$ 193,933	\$ 1,961	\$ 15,035	\$ 16,996
Other Liabilities	11,402	27,130	38,532	9,374	26,009	35,383
Customer Deposits	-	43,115	43,115	-	43,115	43,115
Long Term Debt	-	334,913	334,913	-	285,805	285,805
Net Pension Liabilites	<u>60,532</u>	<u>60,532</u>	<u>121,064</u>	<u>102,483</u>	<u>102,483</u>	<u>204,966</u>
Total Liabilities	<u>\$ 71,934</u>	<u>\$ 659,623</u>	<u>\$ 731,557</u>	<u>\$ 113,818</u>	<u>\$ 472,447</u>	<u>\$ 586,265</u>
Deferred Inflows of Resources	<u>\$ 27,290</u>	<u>\$ 27,291</u>	<u>\$ 54,581</u>	<u>\$ 9,289</u>	<u>\$ 9,290</u>	<u>\$ 18,579</u>
NET POSITION:						
Net Investment in Capital Assets	\$ 85,858	\$ 1,131,459	\$ 1,217,317	\$ 95,002	\$1,211,802	\$ 1,306,804
Restricted for Debt Services	-	90,753	90,753	-	87,929	87,929
Unrestricted	<u>31,756</u>	<u>(60,113)</u>	<u>1,308,070</u>	<u>33,024</u>	<u>(58,375)</u>	<u>(25,351)</u>
Total Net Position	<u>\$ 117,614</u>	<u>\$ 1,162,099</u>	<u>1,279,713</u>	<u>\$ 128,026</u>	<u>\$1,241,356</u>	<u>\$ 1,369,382</u>

A Summary of basic government-wide financial statements is as follows:

Summary of Statement of Activities

	June 2022			June 2021		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
REVENUES						
Program Revenues-						
Intergovernmental-						
Beer Tax	\$ 1,050	\$ -	\$ 1,050	\$ 1,654	\$ -	\$ 1,654
Grants	82,010	21,027	103,037	-	11,095	11,095
Charges for Services	7,074	322,779	329,853	4,615	284,118	288,733
General Revenues-						
Taxes	105,540	90,851	196,391	121,527	93,782	215,309
Payment in Lieu of Taxes	9,626	-	9,626	9,856	-	9,856
Licenses & Permits	68,695	-	68,695	61,909	-	61,909
Interest & Miscellaneous	3,810	53	3,863	2,083	48	2,131
Nonemployee Pension Revenue	2,612	2,611	5,223	3,145	3,145	6,290
Contributions from Other Funds	-	-	-	-	-	-
Total Revenues	\$ 280,417	\$ 437,321	\$ 717,738	\$ 204,789	\$ 392,188	\$ 596,977
EXPENSES:						
General Government	\$ 204,670	\$ -	\$ 204,670	\$ 177,415	\$ -	\$ 177,415
Public Safety	85,110	-	85,110	16,361	-	16,361
Utility Operating Expenses	-	516,577	516,577	-	477,037	477,037
Total Expenses	\$ 289,780	\$ 516,577	\$ 806,357	\$ 193,776	\$ 477,037	\$ 670,813
Change in Net Position	\$ (9,363)	\$ (79,256)	\$ (88,619)	\$ 11,013	\$ (84,849)	\$ (73,836)

Governmental Activities

The Town's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$117,614 for the year ending in June 30, 2022. This is a decrease of \$10,413 from prior year.

Business Type Activities

The Proprietary Fund, the water system, had a decrease in net position of \$79,256 from the year ending June 30, 2022. This compares to a decrease of \$84,849 from the prior year.

Debt Administration

At the end of the current fiscal year, the Town of Campti had total long-term debt of \$499,092. Long-term liabilities of the Town include customer deposits and the net pension liability based on actuarially determined amounts in accordance with GASB No. 68.

**Outstanding Debt at Year End
As of June 30, 2022**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net Pension Liability	\$60,532	\$60,532	\$121,064
Customer Deposits	0	43,115	43,115
Revenue Bonds Payable	<u>0</u>	<u>334,913</u>	<u>334,913</u>
Total	<u>\$60,532</u>	<u>\$438,560</u>	<u>\$499,092</u>

Additional information on the Town of Campti's long-term liabilities can be found in the notes to financial statements section of this report.

General Fund Budgetary Highlights

Actual revenues for the year were \$121,155 more than the budgeted revenues and actual expenditures were \$75,317 more than the budgeted expenditures.

Economic Factors and Next Year's Budget

The budget for 2022/2023 General Fund should not change significantly from the 2021/2022 budget.

Contacting the Town

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to the Town at P. O. Box 216, Campti, LA 71411.

T | C | B | T
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INDEPENDENT AUDITORS' REPORT

The Honorable Mr. Winslow, Mayor
and the Town Council
P. O. Box 216
Campti, Louisiana, 71411

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, and major funds of the Town of Campti (Town), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, major funds of the Town as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedule, Schedule of Employer's Share of Net Pension Liability, and Schedule of Employer Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer and Justice System Funding Schedule – Collecting/Disbursing Entity, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer and Justice System Funding Schedule – Disbursing/Receiving Entity, are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2022, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report, dated November 21, 2022, on the results of our state wide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's state wide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier, CPA's
Natchitoches, Louisiana

November 21, 2022

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

Town of Campti
Statement of Net Position
June 30, 2022

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash & Cash Equivalents	\$ 96,437	\$ 246,755	\$ 343,192
Revenue Receivable	7,277	30,746	38,023
Due from Other Funds	12,878	-	12,878
Restricted Assets-			
Cash & Cash Equivalents	-	90,753	90,753
Total Current Assets	<u>\$ 116,592</u>	<u>\$ 368,254</u>	<u>\$ 484,846</u>
Non-current Assets:			
Capital Assets (net)	<u>\$ 85,858</u>	<u>\$ 1,466,372</u>	<u>\$ 1,552,230</u>
Total Assets	<u>\$ 202,450</u>	<u>\$ 1,834,626</u>	<u>\$ 2,037,076</u>
Deferred Outflows of Resources	<u>\$ 14,388</u>	<u>\$ 14,388</u>	<u>\$ 28,776</u>
LIABILITIES:			
Current Liabilities:			
Advance from Grantors	\$ -	\$ 193,933	\$ 193,933
Accounts Payable	5,721	6,975	12,696
Accrued Expenses	5,681	6,962	12,643
Due to Other Funds	-	13,193	13,193
Customer Deposits	-	43,115	43,115
Current Portion Long-Term Debt	-	22,011	22,011
Total Current Liabilities	<u>\$ 11,402</u>	<u>\$ 286,189</u>	<u>\$ 297,591</u>
Non-current Liabilities			
Long-Term Debt	\$ -	\$ 312,902	\$ 312,902
Net Pension Liabilities	60,532	60,532	121,064
Total Non-Current Liabilities	<u>\$ 60,532</u>	<u>\$ 373,434</u>	<u>\$ 433,966</u>
Total Liabilities	<u>\$ 71,934</u>	<u>\$ 659,623</u>	<u>\$ 731,557</u>
Deferred Inflows of Resources	<u>\$ 27,290</u>	<u>\$ 27,291</u>	<u>\$ 54,581</u>
NET POSITION:			
Net Investment in Capital Assets	\$ 85,858	\$ 1,131,459	\$ 1,217,317
Restricted for Debt Services	-	90,753	90,753
Unrestricted	31,756	(60,113)	(28,357)
Total Net Position	<u>\$ 117,614</u>	<u>\$ 1,162,099</u>	<u>\$ 1,279,713</u>

See accompanying notes and independent auditor's report.

FUND FINANCIAL STATEMENTS

Town of Campti
Balance Sheet - Governmental Fund
June 30, 2022

	Governmental Activities
ASSETS:	
Cash & Cash Equivalents	\$ 96,437
Revenue Receivable	7,277
Due from Utility Fund	12,878
Total Assets	\$ 116,592
LIABILITIES:	
Accounts Payable	\$ 5,721
Accrued Expenses	5,681
Total Liabilities	\$ 11,402
FUND BALANCE:	
Unassigned	105,190
Total Liabilities and Fund Balance	\$ 116,592

Town of Campti
 Reconciliation of Governmental Fund
 Balance Sheet to the Statement of Net Position
 June 30, 2022

Total Fund Balance for the Governmental Fund at June 30, 2022	\$	105,190
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Total Net Position reported for Governmental Activities in
Statement of Net Position is different because:

The following used in Governmental Activities are
not current financial resources; and, therefore, are
not reported in the Governmental Funds Balance Sheet-

Capital Assets (Net)		85,858
Deferred Outflows		14,388

The following are not due and payable in the current period
and, therefore, are not reported in the
Governmental Fund Balance Sheet-

Net Pension Liability		(60,532)
Deferred Inflows		<u>(27,290)</u>

Total Net Position of Governmental Activities at June 30, 2022	\$	<u>117,614</u>
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Town of Campti
Statement of Revenues, Expenditures, and Changes in Fund Balance-
Governmental Fund
June 30, 2022

	Governmental Activities
REVENUES:	
Taxes-	
Ad Valorem	\$ 14,689
Sales Tax	90,851
Payments in Lieu of Taxes	9,626
Licenses & Permits	68,695
Intergovernmental-	
Beer Tax	1,050
Federal	82,010
Charges for Service-	
Fines & Forfeits	6,024
Interest & Miscellaneous	3,810
Total Revenues	\$ 276,755
 EXPENDITURES:	
General Government	\$ 195,612
Public Safety	85,110
Total Expenditures	\$ 280,722
Excess of Revenues over Expenditures	\$ (3,967)
Fund Balance-Beginning of Year	109,157
Fund Balance-End of Year	\$ 105,190

Town of Campiti
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balance of the Governmental Fund
 to the Statement of Activities
 June 30, 2022

Net change in fund balance-governmental fund	\$	(3,967)
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Some revenues reported in the Statement of Activities do not provide current financial resources and these are not reported as revenues in governmental funds. Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the funds. These timing differences are summarized below:

Deprecation Expense		(9,144)
Pension Expense		86
Nonemployer Pension Contributions		<u>2,612</u>

Change in net position per statement of activities at June 30, 2022.	\$	<u>(10,413)</u>
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Town of Campti
Statement of Net Position
Proprietary Fund-Water & Sewer Fund
June 30, 2022

ASSETS:	
Current Assets-	
Cash & Cash Equivalents	\$ 246,755
Revenue Receivable	<u>30,746</u>
Total Current Assets	<u>\$ 277,501</u>
Restricted Assets-	
Cash & Cash Equivalents	<u>\$ 90,753</u>
Capital Assets (net)	<u>1,466,372</u>
Total Assets	<u>\$ 1,834,626</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 14,388</u>
LIABILITIES:	
Current Liabilities-	
Advances from Grantors	\$ 193,933
Accounts Payable	6,975
Accrued Expenses	6,962
Due to Other Funds	<u>13,193</u>
Total Current Liabilities	<u>\$ 221,063</u>
Current Liabilities Payable from Restricted Assets-	
Customer Deposits	\$ 43,115
Current Portion of Long-Term Debt	<u>22,011</u>
Total Current Liabilities Payable from Restricted Assets	<u>\$ 65,126</u>
Non-Current Liabilities-	
Long-Term Debt	\$ 312,902
Net Pension Liability	<u>60,532</u>
Total Non-Current Liabilities	<u>\$ 373,434</u>
Total Liabilities	<u>\$ 659,623</u>
DEFERRED INFLOWS OF RESOURCES	<u>\$ 27,291</u>
Net Position:-	
Net Investment in Capital Assets	\$ 1,131,459
Restricted for Debt Service	90,753
Unrestricted	<u>(60,113)</u>
Total Net Position	<u>\$ 1,162,099</u>

See accompanying notes and independent auditor's report.

Town of Campti
Statement of Revenues, Expenditures, and Changes in Net Position-
Proprietary Fund-Water & Sewer Fund
June 30, 2022

OPERATING REVENUES:

Charges for Services

Water/Sewer	\$ 302,814
Connection Fees	4,820
Meter Deposits	3,100
Miscellaneous	12,045
Total Operating Revenues	<u>\$ 322,779</u>

OPERATING EXPENSES:

Depreciation	\$ 121,504
Insurance	28,715
Operations, Maintenance & Repairs	149,701
Office Supplies, Postage & Printing	18,841
Salaries & Related Benefits	137,804
Utilities & Telephone	43,991
Total Operating Expenses	<u>\$ 500,556</u>

Loss from Operations \$ (177,777)

NON-OPERATING REVENUES (EXPENSES):

Sales Tax 1%	\$ 90,851
Grant Income	21,027
Interest Income	53
Interest Expense	(16,021)
Nonemployer Pension Revenue	2,611
Total Non-operating Revenues (Expenses)	<u>\$ 98,521</u>

Change in Net Position \$ (79,256)

Net Position-Beginning of Year \$ 1,241,355

Net Position-End of Year \$ 1,162,099

Town of Campti
Statement of Cash Flows
Proprietary Fund-Water & Sewer Fund
June 30, 2022

Cash Flow from Operating Activities:	
Cash Received from Customers	\$ 307,755
Cash Payments to Employers	(140,935)
Cash Payments to Suppliers for Goods and Services	<u>(237,086)</u>
Net Cash Provided by Operating Activities	<u>\$ (70,266)</u>
Cash Flows from Non-Capital & Related Financing Activities:	
Sales Tax Revenue	\$ 90,851
Advances from Grants	193,933
Proceeds from Insurance of Debt	<u>68,650</u>
Net Cash Provided by Capital & Related Financing Activities	<u>\$ 353,434</u>
Cash Flows from Capital & Related Financing Activities:	
Principal Paid on Capital Debt	\$ (19,542)
Interest Paid on Capital Debt	(16,021)
Acquisition of Capital Assets	(90,268)
Grant Revenue	<u>21,027</u>
Net Cash Provided by Capital & Related Financing Activities	<u>\$ (104,804)</u>
Cash Flows from Investing Activities	
Interest Income	<u>\$ 53</u>
Net Increase in Cash & Cash Equivalents	\$ 178,417
Cash & Cash Equivalents - Beginning of Year	<u>159,091</u>
Cash & Cash Equivalents - End of Year	<u>\$ 337,508</u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:	
Operating Income(Loss)	<u>\$ (177,777)</u>
Adjustments to Reconcile Operating Income to Net Cash Provided (used) by Operating Activities:	
Depreciation	\$ 121,504
Changes in Assets & Liabilities:	
(Increase) Decrease in Accounts Receivable	(15,027)
Increase (Decrease) in Accounts Payable	4,164
Increase (Decrease) in Accrued Expense	<u>(3,130)</u>
Total Adjustments	<u>\$ 107,511</u>
Net Cash Used by Operating Activities	<u>\$ (70,266)</u>
Reconciliation of Cash & Cash Equivalents at Year End:	
Cash & Cash Equivalents	\$ 246,755
Restricted Cash	90,753
Total Cash Ending & Cash Equivalents	<u>\$ 337,508</u>

See accompanying notes and independent auditor's report.

NOTES TO FINANCIAL STATEMENTS

Town of Campti, Louisiana
Notes to Financial Statements
June 30, 2022

Introduction:

The Town of Campti operates under an elected Mayor/Council (5 members) administrative/ legislative form of government. This report includes all funds which are controlled by or dependent on the Town of Campti, Louisiana's executive and legislative branches (the Mayor and Council Members). Control by or dependence on the Town of Campti, Louisiana was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of government body, and other general oversight responsibility.

The Town's operations include police protection and general and administrative services. In addition, the Town operates a Utility System which provides water and sewer services.

I. Summary of Significant Accounting Policies:

A. REPORTING ENTITY-

The Town is the basic level of government which has financial accountability and control over all activities related to the Town's operations and services provided. The Town is not included in any other governmental "reporting entity" as defined by GASB pronouncements, since the Town Mayor and Council members are elected by the public and have decision making authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units as defined in Governmental Accounting Standards Board Statement 14, which are included in the Town's reporting entity.

B. BASIS OF PRESENTATION-

The financial statements of the Town of Campti, Louisiana are prepared in accordance with generally accepted accounting principles (GAAP). The Town's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Net Position presents the governmental-type activities on a consolidated basis, and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

Town of Campti, Louisiana
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The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

C. FUND ACCOUNTING-

The accounts of the Town are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

The Town maintains two funds. One is categorized as a governmental fund and one is a proprietary fund. The emphasis on fund financial statements is on major governmental and enterprise funds; each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria.

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

The Town considers all funds to be major.

Governmental Fund -

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.

Town of Campti, Louisiana
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Proprietary Fund-

Enterprise Fund

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

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING-

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual Basis - Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the Town as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Modified Accrual Basis - Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Town considers all revenues "available" if collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

Town of Campti, Louisiana
Notes to Financial Statements
June 30, 2022

E. CASH AND INTEREST-BEARING DEPOSITS-

For purposes of the Statement of Cash Flows, cash and interest-bearing deposits include all demand accounts and savings accounts within the proprietary fund of the Town.

F. CAPITAL ASSETS-

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town maintains a threshold level of \$2,500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an 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 useful lives by type of asset is as follows:

Buildings and improvements	40 years
Equipment and vehicles	5-12 years
Utility system and improvements	40 years

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

G. RESTRICTED ASSETS-

Restricted assets include cash, interest-bearing deposits, and investments of the proprietary fund that are legally restricted as to their use. The restricted assets are related to utility bond covenant accounts and customer deposits.

H. COMPENSATED ABSENCES-

There is no formal leave policy for the Town; therefore, no entry is made to record compensated absences.

Town of Campti, Louisiana
Notes to Financial Statements
June 30, 2022

I. EQUITY CLASSIFICATIONS-

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

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

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

In the fund statements, governmental fund equity is classified as fund balance and is displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- d. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance - amounts that are available for any purpose. Only the General Fund would report positive amounts in unassigned fund balance.

Town of Campti, Louisiana
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The General Fund has an unassigned fund balance of \$105,190. The Town establishes, modifies/ rescinds fund balance assignments by passage of a resolution. The Town would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

J. OPERATING REVENUES AND EXPENSES-

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

K. EXPENDITURES/EXPENSES-

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character
Proprietary Fund - By Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

L. BUDGET AND BUDGETARY ACCOUNTING-

Prior to the beginning of each fiscal year, the Town adopts a budget for the next fiscal year. The budget is open for public inspection. All budgetary appropriations lapse at the end of the fiscal year.

M. LONG-TERM OBLIGATIONS-

In the government-wide financial statements, long-term debt is reported as liabilities in the applicable governmental activities statement of net position.

In the fund financial statements, governmental fund types recognize debt issued as other financing sources. Repayment of the principal and interest is shown as an expenditure.

N. ESTIMATES-

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

Town of Campti, Louisiana
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O. PENSIONS-

For purposes of measuring the Net Pension Liability, Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. See note 8, for more information on the individual retirement systems.

P. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES-

The Statement of Net Position reports a separate section for deferred outflows and (or) deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until the applicable period. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources until that time.

2. Ad Valorem Taxes:

The Town levies taxes on real and business personal property located within the boundaries of the Town. Property taxes are levied by the Town on property values assessed by the Natchitoches Parish Tax Assessor and approved by the State of Louisiana Tax Commission. There were no taxes abated within the Town for the current year.

The Town bills and collects property taxes. The Town recognizes property tax revenues when levied.

Property Tax Calendar	
Assessment date	January 1
Levy date	August 31
Tax bills mailed	October 15
Total taxes are due	December 29
Penalties and interest added	February 41
Lien date	February 41
Tax sale	May 15

For the year ended June 30, 2022, taxes of 4.69 mills were levied.

Total taxes collected were \$14,689 for 2022, and no provision for uncollectibles is made.

3. Cash and Cash Equivalents:

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

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Sheriff will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent.

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

At June 30, 2022, the Town had cash and cash equivalents with a bank balances totaling \$469,446. Cash and cash equivalents are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the Sheriff. All of the Town's deposits were properly secured at June 30, 2022. Of the \$469,446 in bank balances, \$284,067 was secured by federal deposit insurance and \$185,379 was secured by pledged securities.

4. Restricted Assets - Proprietary Fund Type:

Restricted assets of the Utility Fund were applicable to the following at June 30, 2022:

Bond Sinking Fund	\$ 4,968
Bond Contingency Account	28,816
Customer Deposits Account	34,067
Bond Reserve Account	<u>22,902</u>
Total Restricted Cash	<u>\$90,753</u>

5. Receivables:

The following is a summary of receivables at June 30, 2022:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Proprietary Fund</u>
Charges for Services	\$ 0	\$13,828
Grant		9,641
Sales Tax	<u>7,277</u>	<u>7,277</u>
Total	<u>\$7,277</u>	<u>\$30,746</u>

6. Business-Type Activities - Long-Term Debt:

The following is a summary of business-type long-term debt of the Town of Campti, Louisiana, for the year ended June 30, 2022:

	<u>Business-Type Activities Bond Payable</u>
Balance at July 1, 2021	\$285,805
2022 New Capital Lease	68,650
2022 Payments	<u>(19,542)</u>
Balance at June 30, 2022	<u>\$334,913</u>

Town of Campti, Louisiana
Notes to Financial Statements
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The annual debt service requirements to maturity for all debt outstanding as of June 30, 2022, are as follows:

Year Ending June 30	Business-Type Activities Debt	
	Principal	Interest
2023	\$ 12,605	\$ 13,093
2024	13,234	12,463
2025	13,895	11,802
2026	14,589	11,108
2027	15,318	10,379
2028-2032	88,859	39,627
2033-2037	<u>115,301</u>	<u>15,113</u>
Totals	<u>\$273,800</u>	<u>\$113,586</u>

Year Ending June 30	Business-Type Activities Debt	
	Principal	Interest
2023	\$ 9,406	\$ 2,433
2024	9,817	2,022
2025	10,245	1,593
2026	<u>31,645</u>	<u>329</u>
Totals	<u>\$ 61,113</u>	<u>\$ 6,377</u>

7. Pension Plan:

The Town's employees became members of Plan B of the Municipal Employees Retirement System of Louisiana (MERS) after June 30, 1996. This system is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Pertinent information for the retirement systems follows:

Plan Description

MERS was originally established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana to provide retirement benefits to employees of all incorporated villages, towns and cities within the state, which did not have their own retirement system and which elected to become members of MERS.

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

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

Benefits Provided

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

Retirement

Any member of Plan B who commenced participation in MERS prior to January 1, 2013 can retire providing he meets one of the following criteria:

1. Any age with thirty (30) years of creditable service.
2. Age 60 with a minimum of ten (10) or more years of creditable service.
3. Any age with ten (10) years of creditable service eligible for disability benefits.
4. Survivor's benefits require five (5) years creditable service at death of member.

Generally, the monthly amount of the retirement allowance of any member of Plan B shall consist of an amount equal to two percent of the member's monthly average final compensation multiplied by his years of creditable service. Final average compensation is the average monthly earnings during the highest sixty consecutive months, or joined months if service was interrupted. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

Any member of Plan B Tier 2 shall be eligible for retirement benefits if he meets one of the following requirements:

1. Seven (7) years or more of service, at age sixty-seven or thereafter.
2. Ten (10) years or more of service, at age sixty-two, or thereafter.
3. Thirty (30) years or more of service, at age fifty-five or thereafter.
4. Twenty-five (25) years of service credit at any age, exclusive of military service and unused annual sick leave.

The monthly amount of the retirement allowance for any member of Plan B Tier 2 shall consist of an amount equal to two percent of the member's final compensation multiplied by his years of creditable service. Final average compensation is the average monthly earning during the highest sixty consecutive months, or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

Town of Campti, Louisiana
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Survivor's Benefits

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

1. Surviving spouse who is married no less than twelve (12) months immediately preceding death of member, shall be paid a monthly benefit equal to thirty percent of the member's final compensation, payable when the surviving spouse attains the age of sixty years or becomes disabled and payable for as long as the surviving spouse lives, or
2. A monthly benefit equals to the actuarial equivalent of the benefit described above, but not less than fifteen percent of the member's final compensation, payable upon the death of the member and payable for as long as the surviving spouse lives. Selecting this benefit precludes the survivor from eligibility for the thirty percent benefit payable when the surviving spouse attains the age of sixty years.

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

Any member of Plan B who had not withdrawn their accumulated contributions and had at least twenty years of service credit at the time of death, surviving spouse shall receive benefits for as long as he/she lives as outlined in the statutes.

Deferred Retirement Option Plan (DROP)

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

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

Town of Campti, Louisiana
Notes to Financial Statements
June 30, 2022

Disability Benefits

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

Cost-of-Living Increases

MERS is authorized under state law to grant a cost of living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows MERS to grant additional cost of living increases 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.

Deferred Benefits

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

Contributions

Contributions for all members are established by statute. Member contributions are at 5% of earnable compensation for Plan B. The contributions are deducted from the member's salary and remitted by the participating municipality.

According to state statute, contribution for all employers are actuarially determined each year. For the year ending June 30, 2022, the employer contribution rate was 15.50% of member's earnings for Plan B.

According to state statute, MERS also receives one-fourth (1/4) of 1% of ad valorem taxes collected within the respective parishes except for Orleans. Tax monies are apportioned to salaries of plan participants. MERS also receives revenue sharing funds each year as appropriated by the Legislature. These additional sources of income are used as additional employer contributions and considered support from non-employer contributing entities, but are not considered special funding situations. This non-employer contribution is \$5,223.

Administrative costs of MERS are financed through employer contributions.

Contributions to the pension plan from the Town were \$23,877 for the year ended June 30, 2022.

Town of Campti, Louisiana
Notes to Financial Statements
June 30, 2022

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

At June 30, 2022 and June 2021, the Town reported a liability of \$121,064 and 204,965 respectively for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2022 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Town's proportion of the Net Pension Liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the Town's proportion was .2090%, which was a decrease of .01719% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the Town recognized pension expense of \$18,016 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$5,689.

At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$ 4,996
Changes in assumption	4,899	0
Net difference between projected and actual earnings on pension plan investments	0	32,716
Changes in employer's proportion of beginning net pension liability	0	16,583
Differences between employer contributions and proportionate share of employer contributions	0	285
Subsequent Measurement Contributions	23,877	0
Total	\$28,776	\$54,580

The deferred outflows of resources related to pensions resulting from the Town contributions subsequent to the measurement date in the amount of \$23,877, will be recognized as a reduction of the Net Pension Liabilities in the year of June 30, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended June 30	
2023	\$(17,980)
2024	(11,719)
2025	(8,485)
2026	(11,497)
Total	\$(49,681)

Town of Campti, Louisiana
Notes to Financial Statements
June 30, 2022

Actuarial Assumptions

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

Valuation Date:	June 30, 2022
Actuarial Cost Method:	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	Plan B – 4 years
Investment Rate of Return:	7.40% net of investment expense
Mortality:	RP-2000 Employees Sex Distinct Table set back for 2 years was selected for active members. RP-2000 Healthy Annuitant Sex Distinct Mortality Tables set forward 2 years for males and 1 year for females projected to 2028 using scale AA was selected for healthy annuitants. RP-2000 Disabled Lives Mortality Table set back 5 years for males and 3 years for females was selected for disabled annuitants.
	Experience study performed on plan data for the period July 1, 2009 through June 30, 2014
Salary Increases:	5% (2.225% Merit/2.775% Inflation)

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 an adjustment for the effect of rebalancing/diversification.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2022 are summarized in the following table:

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

Town of Campti, Louisiana
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The discount rate used to measure the total pension liability was 6.95% for Plan B. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, MERS's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1.0% Decrease (5.85%)	Current Discount Rate (6.85%)	1.0% Increase (7.85%)
Employer's proportionate share of net pension liability	\$185,738	\$121,064	\$66,363

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plan

These financial statements include a payable to the pension plan of \$1,694, which is the legally required contribution due at June 30, 2022. This amount is recorded in accrued expenses.

8. Litigation:

At June 30, 2022, the Town was not involved in any civil suits.

Town of Campti, Louisiana
Notes to Financial Statements
June 30, 2021

9. Capital Assets:

Capital assets and depreciation activity for the year ended June 30, 2022, are as follows:

<u>Governmental Activities</u>	<u>Balance</u> <u>7/1/2021</u>	<u>Additions</u>	<u>Balance</u> <u>6/30/2022</u>
Capital Assets not Depreciated:			
Land	\$ 43,750	\$ -	\$ 43,750
Capital Assets Depreciated			
Building & Improvements	80,059	-	80,059
Improvements	30,039		30,039
Furniture, Fixtures, & Equipment	70,845	-	70,845
Vehicles	59,620	-	61,694
Total Capital Assets Depreciate	<u>\$ 240,563</u>	<u>\$ -</u>	<u>\$ 242,637</u>
Total Assets	<u>\$ 284,313</u>	<u>\$ -</u>	<u>\$ 286,387</u>
Less, Accumulated Depreciation			
Building & Improvements	\$ 65,504	2,598	68,102
Improvements	\$ 9,012	3,004	12,016
Furniture, Fixtures, & Equipment	57,520	2,319	59,839
Vehicles	59,620	1,223	60,843
Total Depreciation	<u>\$ 191,656</u>	<u>9,144</u>	<u>200,800</u>
Net Capital Assets	<u>\$ 92,657</u>	<u>\$ (9,144)</u>	<u>\$ 85,587</u>
 <u>Business-Type Activities</u>			
Capital Assets not Depreciated:			
Land	\$ 2,690	\$ -	\$ 2,690
Capital Assets Depreciated			
Buildings	\$ 32,815	\$ -	\$ 32,815
Vehicles	26,883	-	26,883
Machinery & Equipment	103,176	90,268	193,444
Water System	3,878,438	-	3,878,438
Total Capital Assets Depreciate	<u>\$ 4,041,312</u>	<u>\$ 90,268</u>	<u>\$ 4,131,580</u>
Total Assets	<u>\$ 4,044,002</u>	<u>\$ 90,268</u>	<u>\$ 4,134,270</u>
Accumulated Depreciation:			
Buildings	\$ 32,815	-	32,815
Water/Sewer System	2,400,972	99,462	2,500,434
Vehicles	9,433	3,988	13,421
Machinery & Equipment	103,176	18,054	121,230
Total Depreciation	<u>\$ 2,546,396</u>	<u>\$ 121,504</u>	<u>\$ 2,667,900</u>
Net Capital Assets	<u>\$ 1,497,606</u>	<u>\$ (31,236)</u>	<u>\$ 1,466,370</u>

Depreciation expense of \$9,144 was charged to the General Fund and \$121,504 was charged to the Utility Fund.

Town of Campti, Louisiana
Notes to Financial Statements
June 30, 2022

10. Flow of Funds, Restriction on Use-Water Revenue:

Under the terms of the bond indenture relating to Water Bonds, all income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from operations of the Water System, are pledged and dedicated to the retirement of said bonds, and are to be set aside into the following special accounts:

Period (Day/Month/Year)	Sinking Fund	Reserve Fund	Contingency Fund
9/20/97 - 8/20/37	\$1,820	Commencing with the month following completion of and acceptance of the waterworks improvements financed with the proceeds of the Bonds, a sum of \$91 must be deposited monthly into this fund.	Commencing with the month following completion of and acceptance of the waterworks improvements financed with the proceeds of the Bonds, a sum of \$123 per month must be deposited into this fund.
9/20/97 - 8/20/37	\$2,141	A sum of \$108 per month must be deposited into this fund until \$25,697 has been accumulated therein.	Payments continue as described above.

11. Compensation Paid to the Council Members:

A detail of compensation paid to individual council members for the year ended June 30, 2022 follows:

Bence Nicholas	\$1,160
Sarah Reliford	1,200
Theresa Anslem	1,060
Gloria Davis	1,220
Mary Collins	<u>1,160</u>
Total	<u>\$5,800</u>

12. Subsequent Events:

Management has evaluated events through November 21, 2022, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

**OTHER REQUIRED
SUPPLEMENTARY INFORMATION**

Town of Campti
General Fund
Budgetary Comparison Schedule
June 30, 202

	Budget			Variance- Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES:				
Taxes-				
Ad Valorem	\$ 13,000	\$ 13,000	\$ 14,689	\$ 1,689
Sales Tax	71,000	71,000	90,851	19,851
Payments in Lieu of Taxes	16,000	16,000	9,626	(6,374)
Licenses & Permits	66,750	42,750	68,695	25,945
Intergovernmental-				
Beer Tax	1,800	1,800	1,050	(750)
Grants	-	-	82,010	82,010
Charges for Service-				
Fines & Forfeits	26,000	9,000	6,024	(2,976)
Interest & Miscellaneous	2,050	2,050	3,810	1,760
Total Revenues	\$ 196,600	\$ 155,600	\$ 276,755	\$ 121,155
EXPENDITURES:				
General Government	\$ 186,946	\$ 170,192	\$ 195,612	\$ (25,420)
Public Safety	35,154	35,154	85,110	(49,956)
Total Expenditures	\$ 222,100	\$ 205,346	\$ 280,722	\$ (75,376)
Excess (Deficiency) of Revenues and Other Sources over Expenditures	\$ (25,500)	\$ (49,746)	\$ (3,967)	\$ 45,780
Fund Balance-Beginning of Year	109,157	109,157	109,157	-
Fund Balance-End of Year	\$ 83,657	\$ 59,411	\$ 105,190	\$ 45,780

See accompanying notes and independent auditor's report.

Town of Campti, Louisiana
 Schedule of Employer's Share of Net Pension Liability
 For the Year Ended June 30, 2022

<u>Year</u>	<u>Employer's Proportion of the Net Pension Liability (Asset)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability</u>
2015	0.0808%	\$ 97,340	\$ 99,296	98.03%	76.94%
2016	0.1233%	\$ 83,777	\$ 98,378	85.16%	68.71%
2017	0.1336%	\$110,775	\$126,506	87.55%	63.34%
2018	0.1704%	\$147,459	\$133,373	111.0%	63.50%
2019	0.1800%	\$152,227	\$195,208	77.98%	65.60%
2020	0.2553%	\$223,384	\$177,981	125.51%	66.14%
2021	0.2261%	\$204,965	\$161,189	127.16%	66.26%
2022	0.2090%	\$121,064	\$154,045	78.59%	79.14%

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

Town of Campti, Louisiana
 Schedule of Employer Contributions
 For the Year Ended June 30, 2022

<u>Year</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
2015	\$ 8,125	\$ 8,125	\$0	\$ 99,296	8.2%
2016	\$ 9,320	\$ 9,320	\$0	\$ 98,378	9.5%
2017	\$13,915	\$13,915	\$0	\$126,506	11.0%
2018	\$17,672	\$17,672	\$0	\$133,373	13.2%
2019	\$27,329	\$27,329	\$0	\$195,208	14.0%
2020	\$24,539	\$24,539	\$0	\$177,981	13.8%
2021	\$24,770	\$24,770	\$0	\$161,189	15.4%
2022	\$23,877	\$23,877	\$0	\$154,045	15.5%

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

SUPPLEMENTARY INFORMATION

Town of Campti, Louisiana
Schedule of Compensation, Benefits and Other Payments to
Agency Head or Chief Executive Officer
For the Year Ended June 30, 2022

Agency Head Name: LeRon Winslow, Mayor

<u>Purpose</u>	<u>LaRon Winslow</u>
Salary	\$12,000
Benefits-Retirement	<u>1,860</u>
Total	<u>\$13,860</u>

See independent auditors' report.

Justice System Funding Schedule - Collecting/Disbursing Entity

As Required by Act 87 of the 2020 Regular Legislative Session

Identifying Information		
Entity Name	Town of Campti	
LLA Entity ID # (This is the ID number assigned to the entity by the Legislative Auditor for identification purposes.)	2227	
Date that reporting period ended (mm/dd/yyyy)	6/30/2022	
	First Six Month Period Ended 12/31/2021	Second Six Month Period Ended 06/30/2022
Cash Basis Presentation		
Beginning Balance of Amounts Collected (i.e. cash on hand)	-	
Add: Collections		
Criminal Fines - Contempt	2,457	140
Less: Disbursements To Governments & Nonprofits: <i>(Must include one agency name and one collection type on each line and may require multiple lines for the same agency if more than one collection type is applicable. Additional rows may be added as necessary.)</i>		
<i>LA Commission on Law Enforcement</i>	102	9
<i>Treasurer of the State of Louisiana</i>	11	1
<i>North Louisiana Criminal Lab</i>	310	10
<i>Ware Youth Center</i>	83	8
<i>Louisiana Judicial College</i>	6	
<i>LDHH THSCI</i>	5	1
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount	2,457	140
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	-	
Ending Balance of "Partial Payments" Collected but not Disbursed <i>(only applies if collecting agency does not disburse partial payments until fully collected) - This balance is included in the Ending Balance of Amounts Collected but not Disbursed/Retained above.</i>	-	
Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected <i>(i.e. receivable balance)</i>	0	0
Total Waivers During the Fiscal Period <i>(i.e. non-cash reduction of receivable balances, such as time served or community service)</i>	0	0

OTHER REPORTS/SCHEDULES

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

The Honorable Mr. Winslow, Mayor
and the Town Council
P. O. Box 216
Campti, Louisiana 71411

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities, business-type activities, and major funds of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of Campti's (Town) basic financial statements and have issued our report thereon dated November 21, 2022.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Audit Findings as 2022-001.

Town of Campiti's Responses to Findings

The Town of Campiti's responses to the findings identified in our audit are described in the accompanying schedule of audit findings. The Town's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier, CPA's
Natchitoches, Louisiana

November 21, 2022

Town of Campti, Louisiana
 Schedule of Audit Findings
 Year Ended June 30, 2022

I. SUMMARY OF AUDIT FINDING

The following summarize the audit results:

1. An unmodified opinion was issued on the basic financial statements of the Town of Campti as of and for the year ended June 30, 2022.
2. The audit disclosed no material weaknesses in internal control that is required to be reported under *Government Auditing Standards*.
3. The audit disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards*.

II. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The following finding relates to the financial statements and is required to be reported in accordance with *Government Auditing Standards*:

Compliance-

2022-001 Local Government Budget Act

Criteria - Louisiana State Law requires that when actual revenues are less than budgeted revenues by more than 5% and/or actual expenditures are more than budgeted expenditures by 5% or more, the budget should be amended.

Condition - For the year ended June 30, 2022, actual expenditures in the General Fund were more than budgeted expenditures by more than the 5% variance allowed by state law.

Effect - The budget cannot be used as an effective management tool to control expenditures.

Cause - The final proposed amended budget as presented to the Town was not adopted in its entirety, causing the actual expenditures incurred in the General Fund to exceed the budgeted expenditures by more than 5%.

Recommendation - The Town should institute procedures to ensure the budget is adequately amended whenever actual revenues are less than budgeted revenues by more than the 5% allowed and when actual expenditures are more than budgeted expenditures by more than the 5% allowed.

IV. PRIOR YEAR AUDIT FINDINGS

Internal Control-

2021-001 Segregation of Duties

Condition - Our evaluation of the internal control structure revealed an absence of appropriate segregation of duties and the lack of personnel available to prepare financial statements and the related note disclosures.

Status - As of June 30, 2022, we will no longer report this condition as an internal control finding as it not economically feasible to add a sufficient number of employees.

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

To the Town of Campti and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. The Town of Campti's (Town) management is responsible for those C/C areas identified in the SAUPs.

The Town has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2021 through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user for 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:

Written Policies and Procedures

1. We obtained and inspected the entity's written policies and procedures and observed that they address each of the following categories and subcategories (or noted that the entity does not have any written policies and procedures), as applicable:
 - ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - ***Disbursements***, including processing, reviewing, and approving.
 - ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation.)

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

a) Procedure Results – We noted no exceptions.

Board or Finance Committee

2. We obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent documents in effect during the fiscal period, and:
 - Observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - Observed that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.
 - Obtained the prior year audit report and observed the unassigned fund balance in the General Fund. If the General Fund had a negative ending unrestricted fund balance in the prior year audit report, observed that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the General Fund.

a) Procedure Results – We noted no exceptions.

Bank Reconciliations

3. We obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Management identified the entity's main operating account. We selected the entity's main operating account and randomly selected 4 additional accounts (or all if less than 5). We randomly selected one month from the fiscal period, and obtained and inspected the corresponding bank statement and reconciliation for the selected accounts, and observed that:
 - Bank reconciliations include evidence that they were prepared within two months of the related statement closing date (e.g. initialed and dated, electronically logged);
 - Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g. initialed and dated, electronically logged); and
 - Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

a) Procedure Results – We noted no exceptions.

Collections (excluding electronic funds transfers)

4. We obtained a listing of deposit sites for the fiscal period where deposits for cash/check/money order (cash) are prepared and management's representation that the listing is complete. We randomly selected 5 deposit sites (or all deposit sites if less than 5).
5. We obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site selected. We obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquired of employees about their job duties) at each collection location, and observed that job duties were properly segregated at each collection location such that:
 - Employees that are responsible for cash collections do not share cash drawers/registers.
 - Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. We obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. We observed that the bond or insurance policy for theft was enforced during the fiscal period.

7. We randomly selected two deposit dates for each of the bank accounts selected for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits were made on the same day). We obtained supporting documentation for each of the deposits selected and:
 - We observed that receipts are sequentially pre-numbered.
 - We traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - We traced the deposit slip total to the actual deposit per the bank statement.
 - We observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - We traced the actual deposit per the bank statement to the general ledger.

a) Procedure Results – We noted no exceptions.

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

8. We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. We randomly selected the required amount of disbursement locations (up to five).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. We obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and we observed that job duties are properly segregated such that:
 - At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - At least two employees are involved in processing and approving payments to vendors.
 - The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, we obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. We randomly selected 5 disbursements for each location, and obtained supporting documentation for each transaction and:
 - We observed that the disbursement matched the related original itemized invoice and that documentation indicates that deliverables included on the invoice were received by the entity.

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

a) Procedure Results – We noted no exceptions.

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

11. We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. We obtained management's representation that the listing is complete.
12. Using the listing prepared by management, we randomly selected the required amount of cards (up to five) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, randomly selected one monthly bank statement), and obtained supporting documentation, and:
 - We observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
 - We observed that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, we randomly selected the required amount transactions (up to ten) from each statement, and obtained supporting documentation for the transactions. For each transaction, we observed that it is supported by (1) an original itemized receipt that identified precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, we described the nature of the transaction and noted whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

a) Procedure Results – We noted no exceptions.

Travel and Expense Reimbursement

14. We obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. We randomly selected five reimbursements, and obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:
 - If reimbursed using a per diem, we observed that the approved reimbursement rate is no more than those rates established by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - If reimbursed using actual costs, we observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - We observed that each reimbursement was supported by documentation of the business/public purpose (for meal charges, we observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

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

a) Procedure Results – We noted no exceptions.

Contracts

15. We obtained from management a listing of all agreements/contracts for professional services, materials, and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. We obtained management's representation that the listing is complete. We randomly selected the required amount of contracts (up to five) from the listing, excluding our contract, and:

- We observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- We observed that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
- If the contract was amended (e.g. change order), we observed that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g. if approval is required for any amendment was approval documented).
- We randomly selected one payment from the fiscal period for each of the selected contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

a) Procedure Results – We noted no exceptions.

Payroll and Personnel

16. We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected five employees/officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.

17. We randomly selected one pay period during the fiscal period. For the five employees/officials selected under #16 above, we obtained attendance and leave documentation for the pay period, and:

- We observed that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
- We observed that supervisors approved the attendance and leave of the selected employees/officials.
- We observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- We observed that the rate paid to the employees or officials agree to the authorized salary/pay rate found with the personnel file.

18. We obtained a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. If applicable, we selected two employees or officials, and obtained related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. If applicable, we agreed the hours to the employees or officials' cumulative leave records, and the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and the termination payment to entity policy.
19. We obtained management's representation that employer and employee portions of third-party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, workers' compensation premiums, etc.) have been paid, and associated forms have been filed, by required deadlines.
- a) Procedure Results – We noted no exceptions.

Ethics

20. Using the five randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, we obtained ethics compliance documentation from management, and:
- We observed that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - We observed that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- a) Procedure Results – We noted one exception with regard to Ethics Training.

Debt Service

21. We obtained a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. We selected all debt instruments on the listing, obtained supporting documentation, and observed that State Bond Commission approval was obtained for each bond/note issued.
22. We obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. We randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).
- a) Procedure Results – Not applicable due to no debt service.

Fraud Notice

23. We obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. We selected all misappropriations on the listing, obtained supporting documentation, and observed that the entity reported the misappropriation(s) to the legislative auditor and the District attorney of the parish in which the entity is domiciled.

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

a) Procedure Results – We noted no exceptions.

Information Technology Disaster Recovery/Business Continuity

25. We performed the following procedures:

- We obtained and inspected the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquired of personnel responsible for backing up critical data) and observed that such backup occurred within the past week. If backups are stored on the physical medium (e.g., tapes, CDs), we observed that backups are encrypted before being transported.
- We obtained and inspected the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquired of personnel responsible for testing/verifying backup restoration) and observed evidence that the test/verification was successfully performed within the past 3 months.
- We obtained a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. We randomly selected the required number of computers (at least 5) and observed while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

a) Procedure Results – We noted no exceptions.

Sexual Harassment

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

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

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

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

a) Procedure Results – We noted no exceptions.

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

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

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

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier, CPA's
Natchitoches, Louisiana

November 21, 2022

**Town of Campti
Management's Response to Exceptions to
Statewide Agreed-Upon Procedures
For the Year Ended June 30, 2022**

MANAGEMENT'S RESPONSE TO EXCEPTIONS:

Item 1 Exception - The employees of the Town of Campti failed to obtain Ethics Training.

The employees of the Town of Campti will complete Ethics Training as required by state statutes.