

TOWN OF JENA, LOUISIANA
ANNUAL FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2021
AND FOR THE YEAR THEN ENDED
WITH
INDEPENDENT AUDITOR'S REPORT



SILAS SIMMONS LLP
CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

TOWN OF JENA, LOUISIANA
Annual Financial Statements
As of and for the Year Ended December 31, 2021

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SILAS SIMMONS LLP

CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

209 N. Commerce St.
Natchez, MS 39120
P. O. Box 1027
Natchez, MS 39121
Tel: 601-442-7411
Fax: 601-442-8551

2120 Forsythe Ave.
Monroe, LA 71201
P. O. Box 4550
Monroe, LA 71211
Tel: 318-323-4481
Fax: 318-323-2188

www.silassimmons.com

INDEPENDENT AUDITOR'S REPORT

The Honorable LaDawn Edwards, Mayor
and Members of the Town Council
Town of Jena, Louisiana

Opinions

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

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

Basis for Opinions

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

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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, 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 on pages 4 through 9 and budgetary comparison schedules, the schedule of the Town's proportionate share of the net pension liability, and the schedule of the Town's contributions on pages 39 through 43 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's 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.

Other 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 combining and individual fund statements and other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and other supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 combining, individual fund statements, and other supplementary information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

This report is intended for the information of the Mayor, members of the Town Council, and the Legislative Auditor of the State of Louisiana and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "Silas Simmons, CPA".

Natchez, Mississippi
June 6, 2022

REQUIRED SUPPLEMENTARY INFORMATION (PART I)

TOWN OF JENA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021

The management of Town of Jena, Louisiana (the Town) offers readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the year ended December 31, 2021. This Management's Discussion and Analysis (MD&A) is designed to provide an objective analysis of the Town's financial activities based on currently known facts, decisions, and conditions. It is intended to provide readers with a broad overview of the Town's finances. It is also intended to provide readers with an analysis of the Town's short-term and long-term activities based on information presented in the financial report and fiscal policies that have been adopted by the Town. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the Town's financial activity, identify changes in the Town's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

The Town presents its financial statements under the reporting model required by the Governmental Accounting Standards Board (GASB) Statement 34. This reporting model changes the presentation of financial data, and also the manner in which the information is recorded. We encourage readers to consider the information presented here in conjunction with additional information presented throughout this report.

Overview of the Financial Statements

This section is intended to serve as an introduction to the Town's financial statements. The Town's basic financial statements consist of the government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information, which is in addition to the basic financial statements.

Government-Wide Financial Statements

Government-wide financial statements are designed by GASB Statement 34 to change the way in which governmental financial statements are presented. It now provides readers with a concise "entity-wide" statement of net position and statement of activities, which seek to give the user of the financial statements a broad overview of the Town's financial position and results of operations in a manner similar to private-sector businesses.

The statement of net position presents information on all of the Town's assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. The difference between the two is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or weakening.

The statement of activities presents information which shows how the government's net position changed during this year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes).

Each of these reports is broken down between governmental activities and business-type activities. Governmental activities normally are those activities that are supported by taxes, licenses, permits, fines, and intergovernmental revenues; for example, the police and fire departments. Business-type activities are functions that are intended to support their costs through charges for services or fees; such as the water, gas, and sewer departments.

TOWN OF JENA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021

Government-Wide Financial Analysis

As noted earlier, net position may, over time, serve as a useful indicator of a government's financial position. At the close of the most recent year, the Town's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$11,956,438 (net position); this represents an increase of \$910,552 from last year. Of this total net asset amount, \$882,092 is unrestricted net position. The Town's net position is comprised of \$6,997,149 from governmental activities and \$4,959,289 from business-type activities.

The following is a condensed statement of the Town's net position as of December 31, 2021 and 2020:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Assets						
Current and other assets	\$ 1,953,945	\$ 2,181,222	\$ 2,815,178	\$ 2,386,726	\$ 4,769,123	\$ 4,567,948
Capital assets (net)	<u>7,165,755</u>	<u>6,710,048</u>	<u>2,339,033</u>	<u>2,323,673</u>	<u>9,504,788</u>	<u>9,033,721</u>
Total assets	<u>\$ 9,119,700</u>	<u>\$ 8,891,270</u>	<u>\$ 5,154,211</u>	<u>\$ 4,710,399</u>	<u>\$ 14,273,911</u>	<u>\$ 13,601,669</u>
Deferred outflows of resources						
Deferred outflows	<u>\$ 412,640</u>	<u>\$ 798,040</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 412,640</u>	<u>\$ 798,040</u>
Total deferred outflows of resources	<u>\$ 412,640</u>	<u>\$ 798,040</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 412,640</u>	<u>\$ 798,040</u>
Liabilities						
Other liabilities	\$ 98,248	\$ 48,902	\$ 194,922	\$ 164,914	\$ 293,170	\$ 213,816
Net pension liability	<u>1,781,740</u>	<u>2,923,681</u>	<u>-</u>	<u>-</u>	<u>1,781,740</u>	<u>2,923,681</u>
Total liabilities	<u>\$ 1,879,988</u>	<u>\$ 2,972,583</u>	<u>\$ 194,922</u>	<u>\$ 164,914</u>	<u>\$ 2,074,910</u>	<u>\$ 3,137,497</u>
Deferred inflows of resources						
Deferred inflows	<u>\$ 655,203</u>	<u>\$ 216,326</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 655,203</u>	<u>\$ 216,326</u>
Total deferred inflows of resources	<u>\$ 655,203</u>	<u>\$ 216,326</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 655,203</u>	<u>\$ 216,326</u>
Net position						
Invested in capital assets, net	\$ 7,165,755	\$ 6,710,048	\$ 2,339,033	\$ 2,323,673	\$ 9,504,788	\$ 9,033,721
Restricted sales and use tax	1,569,548	1,745,651	-	-	1,569,548	1,745,651
Restricted for capital projects	10	10	-	-	10	10
Unrestricted	<u>(1,738,164)</u>	<u>(1,955,308)</u>	<u>2,620,256</u>	<u>2,221,812</u>	<u>882,092</u>	<u>266,504</u>
Total net position	<u>\$ 6,997,149</u>	<u>\$ 6,500,401</u>	<u>\$ 4,959,289</u>	<u>\$ 4,545,485</u>	<u>\$ 11,956,438</u>	<u>\$ 11,045,886</u>

By far the largest portion of the Town's net position (\$9,504,788 or 79%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, Town infrastructure, etc.) less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since capital assets themselves cannot be used to liquidate these liabilities.

TOWN OF JENA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021

Government-Wide Financial Analysis (continued)

The remaining balance is comprised of \$882,092 (or 7%) unrestricted net position, which may be used to meet the government's on-going obligations to citizens and creditors, \$1,569,548 (or 13%) restricted 1% sales and use tax proceeds, and \$10 (or less than 1%) restricted net position, which have been designated for capital projects.

Total liabilities of \$2,074,910 are equal to 17% of the total net position.

The Town's governmental activities increased net position by \$496,748 and was primarily due to an increase in transfers from the enterprise fund. The Town's business-type activities increased net position by \$413,804. This increase is primarily due to grants funds received.

The following is a summary of the statement of activities for the years ended December 31, 2021 and 2020:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenue						
Program revenue	\$ 387,603	\$ 524,088	\$ 2,549,839	\$ 1,950,163	\$ 2,937,442	\$ 2,474,251
General revenue and transfers	<u>1,762,512</u>	<u>1,714,579</u>	<u>(44,852)</u>	<u>(27,418)</u>	<u>1,717,660</u>	<u>1,687,161</u>
Total revenue and transfers	<u>\$ 2,150,115</u>	<u>\$ 2,238,667</u>	<u>\$ 2,504,987</u>	<u>\$ 1,922,745</u>	<u>\$ 4,655,102</u>	<u>\$ 4,161,412</u>
Expenses						
General and administrative	\$ 374,832	\$ 396,768	\$ -	\$ -	\$ 374,832	\$ 396,768
Public safety	652,166	755,713	-	-	652,166	755,713
Parks and streets	410,957	500,247	-	-	410,957	500,247
Sanitation	126,958	185,756	-	-	126,958	185,756
Recreation	88,454	103,122	-	-	88,454	103,122
Combined utilities	-	-	<u>2,091,183</u>	<u>1,899,614</u>	<u>2,091,183</u>	<u>1,899,614</u>
Total expenses	<u>\$ 1,653,367</u>	<u>\$ 1,941,606</u>	<u>\$ 2,091,183</u>	<u>\$ 1,899,614</u>	<u>\$ 3,744,550</u>	<u>\$ 3,841,220</u>
Change in net position	\$ 496,748	\$ 297,061	\$ 413,804	\$ 23,131	\$ 910,552	\$ 320,192
Net position, beginning	<u>6,500,401</u>	<u>6,203,340</u>	<u>4,545,485</u>	<u>4,522,354</u>	<u>11,045,886</u>	<u>10,725,694</u>
Net position, ending	<u>\$ 6,997,149</u>	<u>\$ 6,500,401</u>	<u>\$ 4,959,289</u>	<u>\$ 4,545,485</u>	<u>\$ 11,956,438</u>	<u>\$ 11,045,886</u>

Governmental Activities

The governmental activities of the Town include General Government, Public Safety, Public Works, Recreation, and Payment of Interest on Long-Term Debt. In that revenues normally associated with municipal operations (e.g., sales tax, property tax, franchise fees, license fees, sanitation fees, permits, fines, and operating grants) are insufficient for the funding of these activities, the Town relies on transfers of excess revenue from its special revenue fund and enterprise fund to cover the cost of all activities.

TOWN OF JENA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021

Government-Wide Financial Analysis (continued)

Business-Type Activities

The business-type activities of the Town are those that charge a fee to customers for the services provided. The Town has one business-type activity, which is accounted for in the enterprise fund. The Town uses the enterprise fund to account for the revenues and expenses related to the provision of water, gas, and sewer services.

The following is a summary of the business-type activities of the Town:

	Operating Revenues			
	Water	Gas	Sewer	Total
Year ended December 31, 2020	\$ 811,220	\$ 735,071	\$ 403,872	\$ 1,950,163
Year ended December 31, 2021	<u>762,209</u>	<u>747,283</u>	<u>391,330</u>	<u>1,900,822</u>
Increase (decrease) between years	<u>\$ (49,011)</u>	<u>\$ 12,212</u>	<u>\$ (12,542)</u>	<u>\$ (49,341)</u>
	Operating Expenses			
	Water	Gas	Sewer	Total
Year ended December 31, 2020	\$ 613,928	\$ 643,113	\$ 642,573	\$ 1,899,614
Year ended December 31, 2021	<u>720,068</u>	<u>742,916</u>	<u>628,199</u>	<u>2,091,183</u>
Increase (decrease) between years	<u>\$ 106,140</u>	<u>\$ 99,803</u>	<u>\$ (14,374)</u>	<u>\$ 191,569</u>
	Operating Income (Loss)			
	Water	Gas	Sewer	Total
Year ended December 31, 2020	\$ 197,292	\$ 91,958	\$ (238,701)	\$ 50,549
Year ended December 31, 2021	<u>42,141</u>	<u>4,367</u>	<u>(236,869)</u>	<u>(190,361)</u>
Increase (decrease) between years	<u>\$ (155,151)</u>	<u>\$ (87,591)</u>	<u>\$ 1,832</u>	<u>\$ (240,910)</u>

The reasons for the major fluctuations noted above are as follows:

Revenues decreased by less than 2.5% during the year primarily due to an decrease in sewer and water sales that offset a increase in gas sales. Expenses increased by approximately 10% during the year primarily due to increased gas and water expenses.

TOWN OF JENA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021

Fund Financial Statements – Governmental Funds

The fund financial statements provide more detailed information about the Town's most significant funds, not the Town as a whole. Funds are accounting devices that the Town uses to keep track of specific sources of funding and spending for a particular purpose.

The Town currently maintains three governmental fund types. They are the General, Special Revenue, and Capital Projects Fund. The Town also maintains two agency funds; they are the Payroll Clearing Fund and the Accounts Payable Clearing Fund. The General Fund and Special Revenue Fund are presented separately in the Governmental Funds Balance Sheet (Statement C) and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances (Statement E) because they are considered to be major funds.

The Town adopts annual budgets for the General and the Special Revenue Funds. Statements of revenues, expenditures, and changes in fund balance are presented in the Required Supplementary Information (Part II), which compares actual revenues and expenditures to the original budget and amended budget figures.

Financial Analysis of the Town's Governmental Funds

The Town's governmental funds reported an ending fund balance of \$1,855,697, which is a decrease of \$276,623. \$10 is reserved for capital projects, \$1,569,548 is restricted by the 1% sales and use tax, and the remaining fund balance of \$286,139 is unreserved.

Fund Financial Statements – Proprietary Funds

The Town maintains one proprietary fund. Proprietary funds are used to report the same functions as business-type activities. The Town uses an enterprise fund (the first type of proprietary fund) to account for its combined water, gas, and sewer operations. This enterprise fund reports the same functions presented as business-type activities in the government-wide financial statements.

Financial Analysis of the Town's Proprietary Fund

The Town's proprietary fund showed an increase in the ending fund balance of \$413,804 and an operating loss in the municipal utilities system of (\$190,361). The overall decrease in the municipal utilities system was primarily the result of increased operating expenses in the water and gas departments. The water and gas systems showed a positive operating income before transfers.

In that financial statements of enterprise funds are presented on the same basis of accounting as in both the government-wide financial statements and the individual fund statements, all comments and analysis made under business-type activities apply to these funds.

General Fund and Sales Tax Special Revenue Fund Budgetary Highlights

General Fund

Budgeted amounts were amended during the year. The General Fund has an overall negative variance of (\$101,271). This variance was primarily due to less than budgeted general government revenues. Overall revenues have a negative variance of (\$130,967).

TOWN OF JENA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021

Fund Financial Statements - Proprietary Funds (continued)

General Fund and Sales Tax Special Revenue Fund Budgetary Highlights (continued)

Sales Tax Special Revenue Fund

Sales tax revenues were higher than budgeted by \$14,075. General expenditures were less than budgeted by \$2,274. Operating transfers out were more than budgeted by \$452. Overall, the Sales Tax Special Revenue Fund had a positive variance of \$15,897.

Capital Asset and Debt Administration

The total investment in net capital assets during the year ending December 31, 2021, was \$9,504,788. New major capital assets additions acquired, purchased, or constructed were as follows:

1. Improvements to sewer system for \$24,150.
2. Improvements to water system for \$87,443.
3. Purchase of utility vehicle for \$91,830.
4. Purchase of utility equipment unit for \$17,768.
5. Improvements to street infrastructure for \$715,665.
6. Made final payment for the fire truck for \$150,989.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all with an interest in the government's operations. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Cory Floyd, Municipal Clerk, 2908 East Oak Street, Jena, Louisiana 71342.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWN OF JENA, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	Governmental Activities	Business- Type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 630,736	\$ 1,325,376	\$ 1,956,112
Receivables (net of allowances for uncollectibles)	285,035	242,253	527,288
Internal balances	-	56,507	56,507
Other assets	11,346	217,307	228,653
Restricted assets	1,026,828	973,735	2,000,563
Capital assets (net)	7,165,755	2,339,033	9,504,788
Total assets	\$ 9,119,700	\$ 5,154,211	\$ 14,273,911
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred outflows - municipal employees' pension	\$ 162,607	\$ -	\$ 162,607
Deferred outflows - municipal police employees' pension	52,517	-	52,517
Deferred outflows - firefighters' pension	197,516	-	197,516
Total deferred outflows of resources	\$ 412,640	\$ -	\$ 412,640
<u>LIABILITIES</u>			
Accounts, salaries, and other payables	\$ 41,741	\$ 37,164	\$ 78,905
Internal balances	56,507	-	56,507
Payables from restricted assets	-	157,758	157,758
Net pension liability	1,781,740	-	1,781,740
Total liabilities	\$ 1,879,988	\$ 194,922	\$ 2,074,910
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred inflows - municipal employees' pension	\$ 391,976	\$ -	\$ 391,976
Deferred inflows - municipal police employees' pension	151,338	-	151,338
Deferred inflows - firefighters' pension	111,889	-	111,889
Total deferred inflows of resources	\$ 655,203	\$ -	\$ 655,203
<u>NET POSITION</u>			
Invested in capital assets, net of related debt	\$ 7,165,755	\$ 2,339,033	\$ 9,504,788
Restricted sales and use tax	1,569,548	-	1,569,548
Restricted for capital projects	10	-	10
Unrestricted	(1,738,164)	2,620,256	882,092
Total net position	\$ 6,997,149	\$ 4,959,289	\$ 11,956,438

The accompanying notes are an integral part of this financial statement.

TOWN OF JENA, LOUISIANA

STATEMENT B

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2021

	Expenses	Program Revenues			Net (Expenses)/ Revenues	Net (Expenses), Revenues, and Changes		Total
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Governmental Activities	Business-Type Activities	
<u>Governmental Activities</u>								
General government	\$ 374,832	\$ -	\$ 6,465	\$ -	\$ (368,367)	\$ (368,367)	\$ -	\$ (368,367)
Public safety	652,166	180,814	-	-	(471,352)	(471,352)	-	(471,352)
Parks and streets	410,957	1,675	-	34,140	(375,142)	(375,142)	-	(375,142)
Sanitation	126,958	161,363	-	-	34,405	34,405	-	34,405
Recreation	88,454	3,146	-	-	(85,308)	(85,308)	-	(85,308)
Total governmental activities	\$ 1,653,367	\$ 346,998	\$ 6,465	\$ 34,140	\$ (1,265,764)	\$ (1,265,764)	\$ -	\$ (1,265,764)
<u>Business-Type Activities</u>								
Water	\$ 720,068	\$ 762,209	\$ -	\$ -	\$ 42,141	\$ -	\$ 42,141	\$ 42,141
Gas	742,916	747,283	-	-	4,367	-	4,367	4,367
Sewer	628,199	391,330	-	649,017	412,148	-	412,148	412,148
Total business-type activities	\$ 2,091,183	\$ 1,900,822	\$ -	\$ 649,017	\$ 458,656	\$ -	\$ 458,656	\$ 458,656
Total	\$ 3,744,550	\$ 2,247,820	\$ 6,465	\$ 683,157	\$ (807,108)	\$ (1,265,764)	\$ 458,656	\$ (807,108)
General Revenue								
Taxes						\$ 1,455,265	\$ -	\$ 1,455,265
Licenses and permits						182,444	-	182,444
Intergovernmental revenues						40,525	-	40,525
Investment earnings						11,507	12,898	24,405
Other general revenues						15,021	-	15,021
Transfers						57,750	(57,750)	-
Total general revenues and transfers						\$ 1,762,512	\$ (44,852)	\$ 1,717,660
Change in net position						\$ 496,748	\$ 413,804	\$ 910,552
Net position - beginning						6,500,401	4,545,485	11,045,886
Net position - ending						\$ 6,997,149	\$ 4,959,289	\$ 11,956,438

The accompanying notes are an integral part of this financial statement.

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

TOWN OF JENA, LOUISIANA

BALANCE SHEET
GOVERNMENTAL FUNDS

DECEMBER 31, 2021

	Major Funds		Other Governmental Funds	Total Governmental Funds
	General Fund	Sales Tax Fund		
<u>ASSETS</u>				
Cash and cash equivalents	\$ 76,022	\$ 1,438,590	\$ 142,952	\$ 1,657,564
Receivables (net of allowances for uncollectibles)	154,077	130,958	-	285,035
Other assets	11,346	-	-	11,346
Due from other funds	91,016	-	-	91,016
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	\$ 332,461	\$ 1,569,548	\$ 142,952	\$ 2,044,961
	<hr/>	<hr/>	<hr/>	<hr/>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 41,741	\$ -	\$ -	\$ 41,741
Due to other funds	4,581	-	142,942	147,523
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	\$ 46,322	\$ -	\$ 142,942	\$ 189,264
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances:				
Restricted for:				
Sales and use tax	\$ -	\$ 1,569,548	\$ -	\$ 1,569,548
Capital projects	-	-	10	10
Unassigned, reported in:				
General fund	286,139	-	-	286,139
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances	\$ 286,139	\$ 1,569,548	\$ 10	\$ 1,855,697
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	\$ 332,461	\$ 1,569,548	\$ 142,952	\$ 2,044,961
	<hr/>	<hr/>	<hr/>	<hr/>

The accompanying notes are an integral part of this financial statement.

TOWN OF JENA, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

DECEMBER 31, 2021

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund Balances, Total Governmental Funds (Statement C)		\$ 1,855,697
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		7,165,755
Deferred outflows and inflows are not financial resources or currently payable.		
Deferred outflows of resources	\$ 412,640	
Deferred inflows of resources	<u>(655,203)</u>	(242,563)
Long-term net pension liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		<u>(1,781,740)</u>
Net Position of Governmental Activities (Statement A)		<u><u>\$ 6,997,149</u></u>

The accompanying notes are an integral part of this financial statement.

TOWN OF JENA, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2021

	Major Funds		Other Governmental Funds	Total Governmental Funds
	General Fund	Sales Tax Fund		
REVENUES				
Taxes	\$ 228,666	\$ 1,226,599	\$ -	\$ 1,455,265
Licenses and permits	182,444	-	-	182,444
Intergovernmental revenues	40,525	-	-	40,525
Charges for services	289,909	-	-	289,909
Fines and forfeitures	57,089	-	-	57,089
Investment earnings	31	11,476	-	11,507
Grants and contributions	40,605	-	-	40,605
Other revenues	15,021	-	-	15,021
Total revenues	\$ 854,290	\$ 1,238,075	\$ -	\$ 2,092,365
EXPENDITURES				
General government	\$ 342,947	\$ 14,726	\$ -	\$ 357,673
Public safety	857,359	-	-	857,359
Parks and streets	1,078,844	-	-	1,078,844
Sanitation	104,179	-	-	104,179
Recreation	28,683	-	-	28,683
Total expenditures	\$ 2,412,012	\$ 14,726	\$ -	\$ 2,426,738
Excess (deficiency) of revenues over (under) expenditures	\$ (1,557,722)	\$ 1,223,349	\$ -	\$ (334,373)
OTHER FINANCING SOURCES (USES)				
Transfers - in	\$ 1,457,202	\$ -	\$ -	\$ 1,457,202
Transfers - out	-	(1,399,452)	-	(1,399,452)
Total other financing sources (uses)	\$ 1,457,202	\$ (1,399,452)	\$ -	\$ 57,750
Net change in fund balance	\$ (100,520)	\$ (176,103)	\$ -	\$ (276,623)
Fund balances - beginning	386,659	1,745,651	10	2,132,320
Fund balances - ending	\$ 286,139	\$ 1,569,548	\$ 10	\$ 1,855,697

The accompanying notes are an integral part of this financial statement.

TOWN OF JENA, LOUISIANA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2021

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

Net Change in Fund Balances, Total Governmental Funds (Statement E)	\$ (276,623)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	455,707
Net pension expense is reported in governmental funds as expenditures as they are paid; however, in the statement of activities, the net pension expense is reported according to estimates required by GASB 68. This is the amount that the pension estimate exceeds the pension expenses paid in the current year.	<u>317,664</u>
Change in Net Position of Governmental Activities (Statement B)	<u><u>\$ 496,748</u></u>

The accompanying notes are an integral part of this financial statement.

PROPRIETARY FUNDS

TOWN OF JENA, LOUISIANA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS

DECEMBER 31, 2021

	<u>Enterprise Funds</u>
<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	\$ 1,325,376
Receivables (net of allowances for uncollectibles)	235,406
Due from other governments	5,943
Other receivables	904
Due from other funds	56,507
Prepaid expenses	103,027
Inventory	114,280
	<hr/>
Total current assets	\$ 1,841,443
Noncurrent assets	
Restricted assets:	
Cash and cash equivalents	\$ 973,735
Capital assets (net of accumulated depreciation)	2,339,033
	<hr/>
Total noncurrent assets	\$ 3,312,768
	<hr/>
Total assets	\$ 5,154,211
 <u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	\$ 37,164
	<hr/>
Total current liabilities	\$ 37,164
Current liabilities payable from restricted assets	
Consumer meter deposits	\$ 157,758
	<hr/>
Total current liabilities payable from restricted assets	\$ 157,758
	<hr/>
Total liabilities	\$ 194,922
 <u>NET POSITION</u>	
Invested in capital assets, net of related debt	\$ 2,339,033
Unrestricted	2,620,256
	<hr/>
Total net position	\$ 4,959,289
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The accompanying notes are an integral part of this financial statement.

TOWN OF JENA, LOUISIANA

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

FOR THE YEAR ENDED DECEMBER 31, 2021

	Enterprise Funds
<u>OPERATING REVENUES</u>	
Charges for services:	
Water sales	\$ 742,018
Gas sales	727,487
Sewer charges	380,964
Other operating revenue	50,353
	<hr/>
Total operating revenues	\$ 1,900,822
<u>OPERATING EXPENSES</u>	
Personal services	\$ 910,691
Purchase of utilities provided	263,336
Materials and supplies	234,728
Repairs and maintenance	108,873
Depreciation	205,645
Utilities and telephone	99,628
Insurance	102,931
Bad debts/recoveries	7,723
Other operating expenses	157,628
	<hr/>
Total operating expenses	\$ 2,091,183
Operating income (loss)	\$ (190,361)
Nonoperating Revenues	
Interest earnings	\$ 12,898
	<hr/>
Total nonoperating revenues	\$ 12,898
Income (loss) before grants and transfers	\$ (177,463)
Capital grants	649,017
Transfers - in	992,250
Transfers - out	(1,050,000)
	<hr/>
Change in net position	\$ 413,804
Total net position - beginning	4,545,485
	<hr/>
Total net position - ending	\$ 4,959,289
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The accompanying notes are an integral part of this financial statement.

TOWN OF JENA, LOUISIANA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2021

	Enterprise Funds
Cash flows from operating activities	
Cash received from customers	\$ 1,960,138
Payments to suppliers	(955,821)
Payments to employees	(910,691)
Net cash provided by operating activities	\$ 93,626
Cash flows from noncapital financing activities	
Net change in amounts due from/to other funds	\$ (60,697)
Transfers from other funds	992,250
Transfers to other funds	(1,050,000)
Net cash used for noncapital financing activities	\$ (118,447)
Cash flows from capital and related financing activities	
Purchase of capital assets	\$ (221,191)
Capital grants	649,017
Net cash provided by capital and related financing activities	\$ 427,826
Cash flows from investing activities	
Interest on temporary investments	\$ 12,898
Net cash provided by investing activities	\$ 12,898
Net increase in cash and cash equivalents	\$ 415,903
Cash and cash equivalents, beginning of year	1,883,208
Cash and cash equivalents, end of year	\$ 2,299,111
Reconciliation of operating loss to net cash provided by operating activities	
Operating loss	\$ (190,361)
Adjustments to reconcile operating gain to net cash provided by operating activities	
Depreciation	\$ 205,645
Loss on disposal of property, plant and equipment	186
Change in assets and liabilities	
(Increase) decrease in:	
Accounts receivable - customers	44,889
Prepaid expenses	3,259
Increase (decrease) in:	
Accounts payable and accrued liabilities	23,304
Customer deposits	6,704
Total adjustments	\$ 283,987
Net cash provided by operating activities	\$ 93,626

The accompanying notes are an integral part of this financial statement.

NOTES TO THE BASIC FINANCIAL STATEMENTS

TOWN OF JENA, LOUISIANA
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2021

INTRODUCTION

The Town of Jena, Louisiana (the Town) was incorporated by proclamation of the Governor in 1906, under the provisions of the Lawrason Act. The Town operates under the Mayor-Town Council form of government and provides the following services: public safety (police and fire), streets, sanitation, recreation, public improvements, planning and zoning, provision of gas and water utilities, sewer services, and general services.

The financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Town are discussed below.

GASB Statement 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the municipality is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the municipality may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

In the statement of net position, the difference between a government's assets and liabilities is recorded as net position. The three components of net position are as follows:

Invested in Capital Assets, Net of Related Debt – This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgage notes, or other borrowings attributable to the acquisition, construction, or improvement of capital assets.

Restricted – This category represents net position restricted for a specific future use because their use is limited.

Unrestricted – This category represents net position not appropriable for expenditures or legally segregated for a specific future use.

In the statement of net position, this report will often report 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 a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time.

TOWN OF JENA, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Government-Wide and Fund Financial Statements (continued)

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The municipality reports the following major governmental funds:

The General Fund is the municipality's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Sales Tax Special Revenue Fund is used to account for revenues generated by the 1% sales and use tax. Proceeds are first dedicated to any debt service, if applicable.

TOWN OF JENA, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

The municipality reports the following major proprietary fund:

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the municipality's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Cash and Cash Equivalents

The municipality's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of six months or less from the date of acquisition. State law and the municipality's investment policy allow the municipality to invest in collateralized certificates of deposit, government-backed securities, commercial paper, the state-sponsored investment pool, and mutual funds consisting solely of government-backed securities. The Town currently only invests in certificates of deposit.

D. Restricted Assets

Certain proprietary fund assets are classified as restricted assets because their use is limited. "Customers' deposit account" consists of funds received from customers for utility deposits.

TOWN OF JENA, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes and customers' utility receivables are recognized through the establishment of an allowance account at the time information becomes available, which would indicate the uncollectible particular receivable.

The Town annually levies ad valorem taxes in accordance with state statute for the year ended December 31. Tax bills are prepared and delivered in October with payment due from the date of receipt to the last day of February. The Town bills and collects its own property taxes using the assessed values determined by the Tax Assessor of LaSalle Parish.

For the year ended December 31, 2021, taxes of 5.24 mills were levied on property with assessed valuations totaling \$27,835,477 after abatements and exemptions and were dedicated as follows:

General corporate purposes	Mills	5.24
Total taxes levied	\$	145,858

F. Inventories and Prepaid Items

Inventory is valued at cost using the first-in/first-out (FIFO) method. Inventory used for the maintenance of the utility system is accounted for in the Utility Fund as assets when purchased and recorded as expenses when consumed. Inventory for office use is accounted for in the General and Utility Funds as expenditures or expenses when purchased. Amounts of office inventory on hand are immaterial. Payments made to vendors for services that will benefit periods beyond December 31, 2021, are recorded as prepaid expenses in all funds.

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The municipality maintains a threshold level of \$2,500 or more for capitalizing capital assets used in the governmental funds.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

TOWN OF JENA, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Capital Assets (continued)

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Governmental activities:	
Land improvements	30 years
Buildings	40 years
Vehicles	5-15 years
Machinery and equipment	5-15 years
Business-type activities/Enterprise Fund:	
Buildings	25 years
Infrastructure	20-50 years
Machinery and equipment	10-20 years
Vehicles	5 years

H. Deferred Outflows of Resources

In addition to assets, the statement of financial position will report a separate section for deferred outflows of resources. This separate financial statement element represents consumption of net position that applies to future periods and so will not be recognized as an outflow of resources until then. The Town reports deferred outflows of resources related to the net pension liabilities. A portion of these costs represent contributions to the plan subsequent to the plan measurement date.

I. Compensated Absences

The liability for compensated absences has not been accrued because the amount is considered to be immaterial.

J. Long-Term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

TOWN OF JENA, LOUISIANA
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources until then. The Town reports deferred inflows of resources related to the net pension liabilities.

L. Fund Equity

The Town has implemented and follows GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- 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;
- 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;
- 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; and
- Unassigned fund balance - amounts that are available for any purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

The Town establishes fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Town through adoption or amendment of the budget as intended for a specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes). In the general fund, the Town strives to maintain an unassigned fund balance to be used for unanticipated emergencies.

M. Estimates

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

TOWN OF JENA, LOUISIANA
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The Town follows procedures established by Louisiana Revised Statute in the preparation and adoption of its annual operating budgets as follows:

1. The Town Clerk prepares a proposed budget and submits same to the Mayor and Town Council no later than 15 days prior to the beginning of each year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least 10 days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program, or function to another, or involving increases in expenditures resulting from revenues exceeding amounts estimated, require the approval of the Town Council.
6. All budgetary appropriations lapse at the end of each year.
7. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with GAAP. Budget amounts are as originally adopted or as amended from time to time by the Town Council.

NOTE 3 - CASH AND CASH EQUIVALENTS

At December 31, 2021, the municipality had unrestricted cash and cash equivalents totaling \$1,956,112 and restricted cash and cash equivalents of \$2,000,563 as follows:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Demand deposits	\$ 1,165,290	\$ 1,641,708	\$ 2,806,998
Time deposits	790,422	358,855	1,149,277
Cash on hand	<u>400</u>	<u>-</u>	<u>400</u>
Total	<u>\$ 1,956,112</u>	<u>\$ 2,000,563</u>	<u>\$ 3,956,675</u>

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

TOWN OF JENA, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 3 - CASH AND CASH EQUIVALENTS (continued)

At December 31, 2021, the municipality had \$3,973,901 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and \$3,248,981 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). Collectively with the federal deposit insurance and pledged securities, the Town was over collateralized by \$108,099 as of December 31, 2021.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 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 municipality that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 4 - RECEIVABLES

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Sales Tax Fund</u>	<u>Enterprise Fund</u>	<u>Total</u>
Taxes:				
Ad valorem	\$ 28,990	\$ -	\$ -	\$ 28,990
Sales	-	130,958	-	130,958
Intergovernmental				
State	1,723	-	-	1,723
Local	-	-	5,943	5,943
Accounts	44,145	-	378,185	422,330
Other	79,219	-	904	80,123
Allowance for uncollectibles	-	-	(142,779)	(142,779)
Total	<u>\$ 154,077</u>	<u>\$ 130,958</u>	<u>\$ 242,253</u>	<u>\$ 527,288</u>

Uncollectible amounts due for customers' utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available, which would indicate the uncollectible receivable.

NOTE 5 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

A summary of individual receivables and payables reflected as "due to/from other funds" as of December 31, 2021, follows:

	<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>
General fund	\$ 91,016	\$ 4,581
Nonmajor governmental funds	-	142,942
Enterprise fund	56,507	-
Totals	<u>\$ 147,523</u>	<u>\$ 147,523</u>

TOWN OF JENA, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 5 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (continued)

Interfund transfers during the year ended December 31, 2021, were as follows:

	<u>Operating Transfers</u>	
	<u>In</u>	<u>Out</u>
General fund	\$ 1,457,202	\$ -
Special revenue fund	-	1,399,452
Enterprise fund	<u>992,250</u>	<u>1,050,000</u>
Totals	<u>\$ 2,449,452</u>	<u>\$ 2,449,452</u>

Transfers are primarily used to move funds from:

1. The Sales Tax Special Revenue Fund to the General Fund to cover payroll expenditures and to the Utility Fund to cover certain expenses of the sewer and water systems.
2. The Utility Fund to the General Fund to cover operating expenditures.

NOTE 6 - CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2021, are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Governmental activities:</u>				
Capital assets, not being depreciated				
Land	\$ 705,510	\$ -	\$ -	\$ 705,510
Total capital assets, not being depreciated	<u>\$ 705,510</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 705,510</u>
Capital assets being depreciated				
Buildings	\$ 2,244,780	\$ -	\$ -	\$ 2,244,780
Other improvements	1,600,616	-	-	1,600,616
Equipment	1,509,394	275,989	(64,445)	1,720,938
Infrastructure	4,639,841	715,665	-	5,355,506
Construction in progress	125,000	-	(125,000)	-
Total capital assets being depreciated	<u>\$ 10,119,631</u>	<u>\$ 991,654</u>	<u>\$ (189,445)</u>	<u>\$ 10,921,840</u>
Less accumulated depreciation for:				
Buildings	\$ (481,673)	\$ (64,716)	\$ -	\$ (546,389)
Other improvements	(761,995)	(74,123)	-	(836,118)
Equipment	(1,236,928)	(91,063)	62,162	(1,265,829)
Infrastructure	(1,634,497)	(178,762)	-	(1,813,259)
Total accumulated depreciation	<u>\$ (4,115,093)</u>	<u>\$ (408,664)</u>	<u>\$ 62,162</u>	<u>\$ (4,461,595)</u>
Total capital assets being depreciated, net	<u>\$ 6,004,538</u>	<u>\$ 582,990</u>	<u>\$ (127,283)</u>	<u>\$ 6,460,245</u>
Total capital assets, net	<u>\$ 6,710,048</u>	<u>\$ 582,990</u>	<u>\$ (127,283)</u>	<u>\$ 7,165,775</u>

TOWN OF JENA, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 6 - CAPITAL ASSETS (continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Business-type activities:</u>				
Capital assets, not being depreciated				
Land	\$ 30,549	\$ -	\$ -	\$ 30,549
Total capital assets not being depreciated	<u>\$ 30,549</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,549</u>
Capital assets being depreciated				
Sewer disposal system	\$ 4,698,515	\$ 24,150	\$ -	\$ 4,722,665
Natural gas distribution system	2,757,205	-	-	2,757,205
Water plant and system	3,377,504	87,444	-	3,464,948
Service equipment	909,739	109,597	(15,396)	1,003,940
Construction in progress	-	-	-	-
Total capital assets being depreciated	<u>\$ 11,742,963</u>	<u>\$ 221,191</u>	<u>\$ (15,396)</u>	<u>\$ 11,948,758</u>
Less accumulated depreciation for:				
Sewer disposal system	\$ (3,718,028)	\$ (96,538)	\$ -	\$ (3,814,566)
Natural gas distribution system	(2,634,995)	(20,497)	-	(2,655,492)
Water plant and system	(2,213,644)	(81,954)	-	(2,295,598)
Service equipment	<u>(883,172)</u>	<u>(6,656)</u>	<u>15,210</u>	<u>(874,618)</u>
Total accumulated depreciation	<u>\$ (9,449,839)</u>	<u>\$ (205,645)</u>	<u>\$ 15,210</u>	<u>\$ (9,640,274)</u>
Total capital assets being depreciated, net	<u>\$ 2,293,124</u>	<u>\$ 15,546</u>	<u>\$ (186)</u>	<u>\$ 2,308,484</u>
Total capital assets, net	<u>\$ 2,323,673</u>	<u>\$ 15,546</u>	<u>\$ (186)</u>	<u>\$ 2,339,033</u>

Depreciation expense of \$408,664 for the year ended December 31, 2021, was charged to the following governmental functions:

General government	\$ 61,694
Public safety:	
Police	21,530
Fire	36,496
Public works:	
Parks and streets	189,001
Sanitation	36,416
Recreation	<u>63,527</u>
Total	<u>\$ 408,664</u>

TOWN OF JENA, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 7 - ACCOUNTS, SALARIES, AND OTHER PAYABLES

Payables at December 31, 2021, are as follows:

	<u>General Fund</u>	<u>Enterprise Fund</u>	<u>Total</u>
Payable from unrestricted assets:			
Accounts payable	\$ 41,741	\$ 37,164	\$ 78,905
Total payable from unrestricted assets	<u>\$ 41,741</u>	<u>\$ 37,164</u>	<u>\$ 78,905</u>
Payable from restricted assets:			
Meter deposits	\$ -	\$ 157,758	\$ 157,758
Total payable from restricted assets	<u>\$ -</u>	<u>\$ 157,758</u>	<u>\$ 157,758</u>

NOTE 8 - PENSION PLANS

Substantially all employees of the Town are members of the Municipal Employees' Retirement System of Louisiana. This system is a cost-sharing, multiple-employer, defined-benefit pension plan administered by a separate board of trustees. Pertinent information relative to the plan follows.

Municipal Employees' Retirement System of Louisiana

Plan Description. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All eligible employees of the municipality are members of Plan A.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan A, employees who were hired before January 1, 2013, who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 20 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. Under Plan A, employees who were hired after January 1, 2013, who retire at or after age 67 with at least seven years of creditable service, at or after age 62 with at least 10 years of creditable service, at or after age 55 with at least 30 years of creditable service, or at any age with at least 25 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 60 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees' Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (504) 925-4810.

TOWN OF JENA, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 8 - PENSION PLANS (continued)

Municipal Employees' Retirement System of Louisiana (continued)

Funding Policy. Under Plan A, members are required by state statute to contribute 10% as of July 1, 2021, of their annual covered salary, and the Town is required to contribute at an actuarially determined rate. The Town's contribution rate was 29.50% from January 1, 2021 through June 30, 2021, and was 29.50% from July 1, 2021 through December 31, 2021. The Town's contribution rate was 27.75% from January 1, 2020 through June 30, 2020, and was 29.50% from July 1, 2020 through December 31, 2020. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town are established and may be amended by state statute.

As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior year. The Town's contributions to the System under Plan A for the year ending December 31, 2021 and 2020, were \$266,411 and 256,054 respectively, equal to the required contributions for those years.

Actuarial assumptions. The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Valuation date	June 30, 2021
Actuarial cost method	Entry age normal cost
Expected remaining service lives	3 Years
Investment rate of return	6.85%, net of investment expense
Inflation rate	2.5%
Projected salary increases	4.5% (2.5% Inflation, 2.00% Merit)
Mortality rates	PubG-2010(B) Employee Table for Active Members PubG-2010(B) Healthy Retiree Table for Healthy Annuitants PubNS-2010(B) Disabled Retiree Tables for Disabled Annuitants
Cost-of-living adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The long-term expected real rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5% and an adjustment for the effect of rebalancing/diversification.

TOWN OF JENA, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 8 - PENSION PLANS (continued)

Municipal Employees' Retirement System of Louisiana (continued)

The target allocation and best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2021, are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Public equity	53%	2.31%
Public fixed income	38%	1.65%
Alternatives	9%	0.39%
Totals	100%	4.35%
Inflation		2.60%
Expected arithmetic nominal return		6.95%

Municipal Police Employees' Retirement System of Louisiana

Eligible employees of the Town participate in the Municipal Police Employees' Retirement System, which is a cost-sharing, multiple-employer defined-benefit public employee retirement system. The Plan is controlled and administered by a separate board of trustees. Pertinent information relative to the plan follows:

Plan description. All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service or has 25 years of creditable service at any age are entitled to a retirement benefit, payable monthly for life, equal to 3½% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees' Retirement System, 8401 United Plaza Boulevard, Room 270, Baton Rouge, Louisiana 70809-7017.

Funding policy. Plan members are required by state statute to contribute 10% of their annual covered salary, and the Town is required to contribute at an actuarially determined rate. The Town's contribution rate was 33.75% from January 1, 2021 through June 30, 2021, and was 29.75% from July 1, 2021 through December 31, 2021. The Town's contribution rate was 32.50% from January 1, 2020 through June 30, 2020, and was 33.75% from July 1, 2020 through December 31, 2020. The contribution requirements of Plan members and the Town are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The contributions to the System for the year ending December 31, 2021 and 2020, were \$57,104 and \$60,019, respectively, equal to the required contributions for those years.

TOWN OF JENA, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 8 - PENSION PLANS (continued)

Municipal Police Employees' Retirement System of Louisiana (continued)

Actuarial assumptions. The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	June 30, 2021						
Actuarial cost method	Entry age normal cost						
Investment rate of return	6.750%, net of investment expense						
Expected remaining service lives	Four years						
Inflation rate	2.50%						
Salary increases, including Inflation and merit	<table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;"><u>Years of Service</u></th> <th style="text-align: center;"><u>Salary Growth Rate</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1-2</td> <td style="text-align: center;">12.30%</td> </tr> <tr> <td style="text-align: center;">Above 2</td> <td style="text-align: center;">4.70%</td> </tr> </tbody> </table>	<u>Years of Service</u>	<u>Salary Growth Rate</u>	1-2	12.30%	Above 2	4.70%
<u>Years of Service</u>	<u>Salary Growth Rate</u>						
1-2	12.30%						
Above 2	4.70%						
Mortality rates	RP-2000 Employee Table for Active Members RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for Healthy Annuitants and Beneficiaries RP-2000 Disabled Lives Mortality Table for Disabled Annuitants						
Cost-of-living adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.						

The best estimates of the arithmetic nominal rates of return for each major asset class included in the System's target allocation as of June 30, 2021, are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Equity	55.50%	3.47%
Fixed income	30.50%	0.59%
Alternatives	14.00%	1.02%
Totals	100.00%	5.08%
Inflation		2.22%
Expected arithmetic nominal return		7.30%

TOWN OF JENA, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 8 - PENSION PLANS (continued)

Firefighters' Retirement System of Louisiana

Eligible employees of the Town participate in the Firefighters' Retirement System, which is a cost-sharing, multiple-employer, defined-benefit public employee retirement system. The Plan is controlled and administered by a separate board of trustees. Pertinent information relative to the Plan follows:

Plan description. All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service or has 25 years of creditable service at any age are entitled to a retirement benefit, payable monthly for life, equal to 3¼% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Firefighters' Retirement System, 3100 Brentwood Drive, Baton Rouge, Louisiana 70809.

Funding policy. Plan members are required by state statute to contribute 10% of their annual covered salary, and the Town is required to contribute at an actuarially determined rate. The Town's contribution rate was 32.25% from January 1, 2021 through June 30, 2021, and was 33.75% from July 1, 2021 through December 31, 2021. The Town's contribution rate was 27.75% from January 1, 2020 through June 30, 2020, and was 32.25% from July 1, 2020 through December 31, 2020. The contribution requirements of Plan members and the Town are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The contributions to the System for the year ending December 31, 2021 and 2020, were \$47,022 and \$39,639, respectively, equal to the required contributions for those years.

Actuarial Methods. For each year, the actuary determines the reasonable range of the actuarial valuation interest rate, an expected long-term portfolio rate of return and standard deviation based upon the System's target asset allocation and a thirty-year time horizon. These rates were based on an analysis of the System's portfolio along with expected long-term rates of return, standard deviations of return, and correlations between asset classes collected from a number of investment consulting firms in addition to the System's investment consultant, NEPC, L.L.C. Using these values and assuming that future portfolio returns are normally distributed, ten thousand trials of returns over the upcoming thirty years was performed. The results of these trials were organized into percentiles and a reasonable range equal to the 40th through 60th percentiles was set. For the fiscal year ended June 30, 2021, the reasonable range was set at 6.19% through 7.33% and the Board of Trustees elected to set the System's assumed rate of return at 6.90% for Fiscal 2021. For the fiscal year ended June 30, 2020, the reasonable range was set at 5.99% through 7.06% and the Board of Trustees elected to set the System's assumed rate of return at 7.00% for fiscal year 2020. The actuarial valuation interest rates selected by the board, which were within the reasonable range, were 6.90% and 7.00% for fiscal years 2021 and 2020, respectively.

TOWN OF JENA, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 8 - PENSION PLANS (continued)

Firefighters' Retirement System of Louisiana (continued)

The remaining actuarial assumptions utilized for this report for fiscal years 2021 and 2020 are based on the results of an actuarial experience study for the period July 1, 2014 - June 30, 2019, unless otherwise specified in this report.

Additional information on the actuarial methods and assumptions used as of the June 30, 2021 actuarial valuations follows:

Valuation date	June 30, 2021	
Actuarial cost method	Entry age normal cost	
Actuarial assumptions:		
Expected remaining service lives	7 years, over a closed period	
Investment rate of return	6.90%, net of investment expense	
Inflation rate	2.5% per annum	
Mortality rates	RP-2000 Employee Table for Active Members	
	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for Healthy Annuitants and Beneficiaries	
	RP-2000 Disabled Lives Mortality Table for Disabled Annuitants	
Salary increases, including inflation and merit	<u>Years of Service</u>	<u>Salary Growth Rate</u>
	1-2	14.10%
	3 and Over	5.20%
Cost-of-living adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.	

The estimated long-term expected real rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were 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, 2.50%.

TOWN OF JENA, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 8 - PENSION PLANS (continued)

Firefighters' Retirement System of Louisiana (continued)

The best estimates of the arithmetic nominal rates of return for each major asset class included in the System's target allocation as of June 30, 2021, are summarized in the following table:

Long-Term Expected

Asset Class	Target Asset Allocation	Portfolio Real Rate of Return
U.S. equity	27.50%	5.86%
Non-U.S. equity	11.50%	6.44%
Global equity	10.00%	6.40%
Emerging market equity	7.00%	8.64%
U.S. core fixed income	18.00%	0.97%
U.S. TIPS	3.00%	0.40%
Emerging market debt	5.00%	2.75%
Global tactical asset allocation	0.00%	4.17%
Risk parity	0.00%	4.17%
Private equity	9.00%	9.53%
Real estate	6.00%	5.31%
Real assets	3.00%	***
Totals	<u>100%</u>	
Inflation		<u>2.50%</u>

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

At December 31, 2021, the Town reported a liability of \$1,268,538, \$320,009, and \$193,193 for its proportionate share of the net pension liability for MERS, MPERS, and MFRS, respectively. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating cities, actuarially determined. At June 30, 2021, the Town's proportion was 0.456%, 0.060%, and 0.055% for MERS, MPERS, and MFRS, respectively.

For the year ended December 31, 2021, the Town recognized pension expense of \$145,270, \$17,565, and \$19,031 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, (\$138,276), (\$172,219), and \$41,576 for MERS, MPERS, and MFRS, respectively. At December 31, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>MERS</u>	<u>MPERS</u>	<u>MFRS</u>
Deferred inflows of resources:			
Differences between expected and actual experience	\$ (9,671)	\$ (7,391)	\$ (14,871)
Net difference between projected and actual earnings on pension plan investments	(285,930)	(119,535)	(93,793)
Changes of assumptions	-	(6,846)	-
Changes in proportion	<u>(96,375)</u>	<u>(17,566)</u>	<u>(3,225)</u>
Total deferred inflows of resources	<u>\$ (391,976)</u>	<u>\$ (151,338)</u>	<u>\$ (111,889)</u>

TOWN OF JENA, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 8 - PENSION PLANS (continued)

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

	<u>MERS</u>	<u>MPERS</u>	<u>MFRS</u>
Changes in proportion and differences between Town contributions and proportionate share of contributions:			
Differences between expected and actual experience	\$ 305	\$ -	\$ 2,363
Changes of assumptions	30,905	26,579	35,883
Changes in proportion	-	-	136,090
Town contributions subsequent to the measurement date	<u>131,397</u>	<u>25,938</u>	<u>23,180</u>
Total deferred outflows of resources	<u>\$ 162,607</u>	<u>\$ 52,517</u>	<u>\$ 197,516</u>

\$180,515 reported as deferred outflows of resources related to pensions resulting from the Town's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>MERS</u>	<u>MPERS</u>	<u>MFRS</u>
Year ended June 30:			
2022	\$ (54,101)	\$ (59,805)	\$ (43)
2023	(93,536)	(1,718)	22,326
2024	(92,144)	(11,753)	16,126
2025	(120,985)	(51,483)	(25,566)
2026	-	-	3,503
Thereafter	-	-	46,101

Discount Rate. The discount rate used to measure the total pension liability was 6.85%, 6.75%, and 6.90% for MERS, MPERS, and MFRS, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC, taking into consideration the recommendation of the System's actuary. Based on these assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF JENA, LOUISIANA
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 8 - PENSION PLANS (continued)

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

Sensitivity to Changes in Discount Rate: The following presents the Town's net pension liability for each of the pension plans calculated using the respective discount rates, as well as what the employer's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

MERS:

	Changes in Discount Rate		
	1% Decrease 5.85%	Current Discount Rate 6.85%	1% Increase 7.85%
Net pension liability	\$ 1,878,769	\$ 1,268,538	\$ 753,113

MPERS:

	Changes in Discount Rate		
	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net pension liability	\$ 557,725	\$ 320,009	\$ 121,596

MFRS:

	Changes in Discount Rate		
	1% Decrease 5.90%	Current Discount Rate 6.90%	1% Increase 7.90%
Net pension liability	\$ 370,627	\$ 193,193	\$ 45,215

NOTE 9 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage in any of the past three years.

TOWN OF JENA, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 10 - SEGMENT INFORMATION FOR UTILITY FUND

The Enterprise Fund operated by the Town provides water, natural gas, and sewer utility services. The following is a summary of segment information for the Enterprise Fund:

	Water System	Gas System	Sewer System	Total
Operating revenue	\$ 762,209	\$ 747,283	\$ 391,330	\$ 1,900,822
Purchase of natural gas	-	(263,336)	-	(263,336)
Operating expense	(635,895)	(456,864)	(529,443)	(1,622,202)
Depreciation	<u>(84,173)</u>	<u>(22,716)</u>	<u>(98,756)</u>	<u>(205,645)</u>
Operating income (loss)	<u>\$ 42,141</u>	<u>\$ 4,367</u>	<u>\$ (236,869)</u>	<u>\$ (190,361)</u>
Nonoperating revenues (expenses)				
Interest income			\$	12,898
Capital grants				649,017
Operating transfers - in				992,250
Operating transfers - out				<u>(1,050,000)</u>
Net increase in net position			<u>\$</u>	<u>413,804</u>

NOTE 11 - CONTINGENT LIABILITIES

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time; although, the Town expects such amounts, if any, to be immaterial.

NOTE 12 - EVALUATION OF SUBSEQUENT EVENTS

The Town has evaluated subsequent events through June 6, 2022, the date the financial statements were available to be issued.

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency due to a new strain of coronavirus originating in Wuhan, China, and the risk to the international community as the virus spread globally beyond its point of origination. In March of 2020, the WHO classified the COVID-19 outbreak a pandemic, based on the rapid increase in infection rates globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of the release of these financial statements. As such, the full impact that the pandemic will have on the Town's operations and financial reporting is unknown at this time.

REQUIRED SUPPLEMENTARY INFORMATION (PART II)

TOWN OF JENA, LOUISIANA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 215,600	\$ 215,600	\$ 228,666	\$ 13,066
Licenses and permits	227,200	227,200	182,444	(44,756)
Intergovernmental revenue	28,657	28,657	40,525	11,868
Charges for services	404,000	404,000	289,909	(114,091)
Fines and forfeitures	70,000	70,000	57,089	(12,911)
Grants and contributions	38,000	38,000	40,605	2,605
Other	1,800	1,800	15,052	13,252
Total revenues	<u>\$ 985,257</u>	<u>\$ 985,257</u>	<u>\$ 854,290</u>	<u>\$ (130,967)</u>
Expenditures				
Current:				
General government	\$ 377,260	\$ 377,260	\$ 342,947	\$ 34,313
Public safety:				
Police	488,186	488,186	472,505	15,681
Fire	401,739	401,739	384,854	16,885
Animal control	5,000	5,000	-	5,000
Public works:				
Parks and streets	857,500	857,500	1,078,844	(221,344)
Sanitation	231,018	231,018	104,179	126,839
Recreation	40,800	40,800	28,683	12,117
Total expenditures	<u>\$ 2,401,503</u>	<u>\$ 2,401,503</u>	<u>\$ 2,412,012</u>	<u>\$ (10,509)</u>
Deficiency of revenues before operating transfers	<u>\$ (1,416,246)</u>	<u>\$ (1,416,246)</u>	<u>\$ (1,557,722)</u>	<u>\$ (141,476)</u>
Other financing sources				
Operating transfers - in	\$ 1,417,000	\$ 1,417,000	\$ 1,457,202	\$ 40,202
Total other financing sources	<u>\$ 1,417,000</u>	<u>\$ 1,417,000</u>	<u>\$ 1,457,202</u>	<u>\$ 40,202</u>
Net change in fund balance	\$ 754	\$ 754	\$ (100,520)	\$ (101,274)
Fund balance - beginning of year	<u>386,659</u>	<u>386,659</u>	<u>386,659</u>	<u>-</u>
Fund balance - end of year	<u>\$ 387,413</u>	<u>\$ 387,413</u>	<u>\$ 286,139</u>	<u>\$ (101,274)</u>

See Independent Auditor's Report.

TOWN OF JENA, LOUISIANA
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 1,100,000	\$ 1,213,000	\$ 1,226,599	\$ 13,599
Interest	1,500	11,000	11,476	476
Total revenues	<u>\$ 1,101,500</u>	<u>\$ 1,224,000</u>	<u>\$ 1,238,075</u>	<u>\$ 14,075</u>
Expenditures				
Current:				
General government	\$ 17,000	\$ 17,000	\$ 14,726	\$ 2,274
Total expenditures	<u>\$ 17,000</u>	<u>\$ 17,000</u>	<u>\$ 14,726</u>	<u>\$ 2,274</u>
Excess of revenues before operating transfers	<u>\$ 1,084,500</u>	<u>\$ 1,207,000</u>	<u>\$ 1,223,349</u>	<u>\$ 16,349</u>
Other financing uses				
Operating transfers - out	\$ (1,303,000)	\$ (1,399,000)	\$ (1,399,452)	\$ (452)
Total other financing uses	<u>\$ (1,303,000)</u>	<u>\$ (1,399,000)</u>	<u>\$ (1,399,452)</u>	<u>\$ (452)</u>
Net change in fund balance	\$ (218,500)	\$ (192,000)	\$ (176,103)	\$ 15,897
Fund balance - beginning of year	<u>1,745,651</u>	<u>1,745,651</u>	<u>1,745,651</u>	<u>-</u>
Fund balance - end of year	<u><u>\$ 1,527,151</u></u>	<u><u>\$ 1,553,651</u></u>	<u><u>\$ 1,569,548</u></u>	<u><u>\$ 15,897</u></u>

See Independent Auditor's Report.

TOWN OF JENA, LOUISIANA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021

Budgetary Comparison Schedule

1. Basis of Presentation

The Budgetary Comparison Schedule presents the original legally adopted budget, the final legally adopted budget, the actual data on the GAAP basis, and variances between the final budget and the actual data.

2. Budget Amendments and Revisions

The budget is adopted by the Town Council. Amendments can be made on the approval of the Town Council. A budgetary comparison is presented for the General Fund and each major special revenue fund consistent with accounting principles generally accepted in the United States of America.

TOWN OF JENA, LOUISIANA

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

YEAR ENDED JUNE 30, 2021

	2021	2020	2019	2018	2017	2016	2015
MERS:							
Town's proportion of the net pension liability (asset)	.46%	.48%	.51%	.57%	.62%	.65%	.65%
Town's proportionate share of the net pension liability (asset)	\$ 1,268,538	\$ 2,067,476	\$ 2,130,474	\$ 2,358,435	\$ 2,612,923	\$ 2,658,547	\$ 2,326,363
Town's covered-employee payroll	\$ 903,090	\$ 894,631	\$ 929,054	\$ 1,097,693	\$ 1,095,538	\$ 1,132,010	\$ 1,046,194
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	1.41%	222.54%	194.09%	215.28%	230.82%	254.12%	214.42%
Plan fiduciary net position as a percentage of the total pension liability	77.82%	64.52%	64.68%	63.94%	62.49%	62.11%	68.71%
MPERS:							
Town's proportion of the net pension liability (asset)	.060%	0.052%	0.047%	0.039%	0.041%	0.046%	0.046%
Town's proportionate share of the net pension liability (asset)	\$ 320,009	\$ 481,978	\$ 428,537	\$ 332,067	\$ 360,278	\$ 426,173	\$ 357,040
Town's covered-employee payroll	\$ 179,530	\$ 181,181	\$ 141,413	\$ 135,414	\$ 124,898	\$ 109,020	\$ 144,768
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	178.25%	340.83%	316.46%	265.87%	330.47%	294.57%	354.56%
Plan fiduciary net position as a percentage of the total pension liability	86.78%	70.94%	71.01%	71.87%	70.08%	66.04%	70.73%
MFRS:							
Town's proportion of the net pension liability (asset)	0.055%	0.054%	0.055%	0.044%			
Town's proportionate share of the net pension liability (asset)	\$ 193,193	\$ 374,227	\$ 343,015	\$ 254,944			
Town's covered-employee payroll	\$ 142,612	\$ 132,198	\$ 121,726	\$ 118,685			
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	135.47%	307.43%	289.01%	213.79%			
Plan fiduciary net position as a percentage of the total pension liability	72.61%	72.61%	73.96%	74.76%			

- This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

TOWN OF JENA, LOUISIANA
SCHEDULE OF THE TOWN'S CONTRIBUTIONS
YEAR ENDED JUNE 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
MERS:							
Contractually required contribution	\$ 266,411	\$ 256,054	\$ 253,615	\$ 249,009	\$ 259,871	\$ 240,733	\$ 226,576
Contributions in relation to the contractually required contribution	<u>(266,411)</u>	<u>(256,054)</u>	<u>(253,615)</u>	<u>(249,009)</u>	<u>(259,871)</u>	<u>(240,733)</u>	<u>(226,576)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll	\$ 903,090	\$ 894,631	\$ 929,024	\$ 1,097,693	\$ 1,095,538	\$ 1,132,010	\$ 1,046,194
Contributions as a percentage of covered-employee payroll	29.50%	28.62%	27.30%	22.68%	23.72%	21.27%	21.66%
MPERS:							
Contractually required contribution	\$ 57,104	\$ 60,019	\$ 45,782	\$ 42,791	\$ 39,083	\$ 33,307	\$ 44,132
Contributions in relation to the contractually required contribution	<u>(57,104)</u>	<u>(60,019)</u>	<u>(45,782)</u>	<u>(42,791)</u>	<u>(39,083)</u>	<u>(33,307)</u>	<u>(44,132)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll	\$ 179,530	\$ 181,181	\$ 141,413	\$ 135,414	\$ 124,898	\$ 109,020	\$ 144,768
Contributions as a percentage of covered-employee payroll	31.81%	33.13%	32.37%	31.60%	31.29%	30.55%	30.48%
MFRS:							
Contractually required contribution	\$ 47,022	\$ 39,640	\$ 100,269	\$ 48,172			
Contributions in relation to the contractually required contribution	<u>(47,022)</u>	<u>(39,640)</u>	<u>(100,269)</u>	<u>(48,172)</u>			
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>			
Town's covered-employee payroll	\$ 142,612	\$ 132,198	\$ 121,726	\$ 118,685			
Contributions as a percentage of covered-employee payroll	32.97%	30.00%	82.37%	40.59%			

- This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

OTHER SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

TOWN OF JENA, LOUISIANA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Capital Projects Fund	Fiduciary Funds		Total	Total Nonmajor Governmental Funds
		Accounts Payable Clearing Fund	Payroll Clearing Fund		
Assets					
Cash and cash equivalents	\$ 10	74,320	68,622	\$ 142,942	\$ 142,952
Total assets	<u>\$ 10</u>	<u>\$ 74,320</u>	<u>\$ 68,622</u>	<u>\$ 142,942</u>	<u>\$ 142,952</u>
Liabilities and Fund Balances					
Liabilities:					
Due to other funds	\$ -	\$ 74,320	\$ 68,622	\$ 142,942	\$ 142,942
Total liabilities	<u>\$ -</u>	<u>\$ 74,320</u>	<u>\$ 68,622</u>	<u>\$ 142,942</u>	<u>\$ 142,942</u>
Fund balances:					
Reserved for capital projects	\$ 10	\$ -	\$ -	\$ -	\$ 10
Total fund balances	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10</u>
Total liabilities and fund balances	<u>\$ 10</u>	<u>\$ 74,320</u>	<u>\$ 68,622</u>	<u>\$ 142,942</u>	<u>\$ 142,952</u>

See Independent Auditor's Report.

TOWN OF JENA, LOUISIANA
NONMAJOR GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2021

	Capital Projects Fund	Total Nonmajor Governmental Funds
<u>REVENUES</u>		
Grants	\$ -	\$ -
Total revenues	\$ -	\$ -
<u>EXPENDITURES</u>		
Capital expenditures	\$ -	\$ -
Total expenditures	\$ -	\$ -
Revenues under expenditures	\$ -	\$ -
<u>OTHER FINANCING SOURCES</u>		
Operating transfer to general fund	\$ -	\$ -
Total other financial sources	\$ -	\$ -
Excess of expenditures over revenues and other financing sources	\$ -	\$ -
Fund balance - beginning of year	10	10
Fund balance - end of year	\$ 10	\$ 10

See Independent Auditor's Report.

COMPARATIVE/COMBINING FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

This is the general operating fund of the Town and is used to account for resources traditionally associated with governments, which are not required to be accounted for in another fund.

TOWN OF JENA, LOUISIANA
GENERAL FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2021 AND 2020

	2021	2020
<u>ASSETS</u>		
Cash and cash equivalents	\$ 76,022	\$ 92,214
Receivables (net of allowance for doubtful accounts):		
Accounts	44,145	56,990
Taxes	28,989	29,328
Governmental	1,724	1,723
Other	79,219	82,785
Other assets	11,346	23,163
Due from other funds	91,016	158,435
Total assets	\$ 332,461	\$ 444,638
<u>LIABILITIES AND FUND BALANCE</u>		
LIABILITIES		
Accounts payable and accrued liabilities	\$ 41,741	\$ 48,902
Due to other funds	4,581	9,077
Total liabilities	\$ 46,322	\$ 57,979
FUND BALANCE		
Unassigned fund balance	\$ 286,139	\$ 386,659
Total fund balance	\$ 286,139	\$ 386,659
Total liabilities and fund balance	\$ 332,461	\$ 444,638

See Independent Auditor's Report.

TOWN OF JENA, LOUISIANA

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED DECEMBER 31, 2021

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2020

	2021	2020
<u>REVENUES</u>		
Taxes	\$ 228,666	\$ 204,514
Licenses and permits	182,444	237,239
Intergovernmental	40,525	35,693
Charges for services	289,909	306,044
Fines and forfeitures	57,089	55,145
Grants and contributions	40,605	134,305
Other revenues	15,052	1,354
	<hr/>	<hr/>
Total revenues	\$ 854,290	\$ 974,294
	<hr/>	<hr/>
<u>EXPENDITURES</u>		
General government	\$ 342,947	\$ 324,886
Public safety:		
Police	472,505	450,845
Fire	384,854	353,810
Public works:		
Parks and streets	1,078,844	748,022
Sanitation	104,179	145,321
Recreation	28,683	33,559
	<hr/>	<hr/>
Total expenditures	\$ 2,412,012	\$ 2,056,443
	<hr/>	<hr/>
Revenues under expenditures	\$ (1,557,722)	\$ (1,082,149)
	<hr/>	<hr/>
<u>OTHER FINANCING SOURCES</u>		
Operating transfers - in	\$ 1,457,202	\$ 1,168,227
	<hr/>	<hr/>
Total other financing sources	\$ 1,457,202	\$ 1,168,227
	<hr/>	<hr/>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	\$ (100,520)	\$ 86,078
	<hr/>	<hr/>
Fund balance - beginning of year	386,659	300,581
	<hr/>	<hr/>
Fund balance - end of year	\$ 286,139	\$ 386,659
	<hr/> <hr/>	<hr/> <hr/>

See Independent Auditor's Report.

SALES TAX SPECIAL REVENUE FUND

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

Sales tax special revenue fund is used to account for revenues generated by the 1% sales and use tax. Proceeds are first dedicated to any debt service, if applicable.

TOWN OF JENA, LOUISIANA
 SALES TAX SPECIAL REVENUE FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2021 AND 2020

<u>ASSETS</u>	<u>2021</u>	<u>2020</u>
Cash	\$ 1,026,828	\$ 1,225,821
Temporary investments (at cost)	411,762	401,544
Accounts receivable - sales tax	130,958	118,286
	<u>1,569,548</u>	<u>1,745,651</u>
Total assets	<u>\$ 1,569,548</u>	<u>\$ 1,745,651</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities	<u>\$ -</u>	<u>\$ -</u>
Fund balance		
Restricted fund balance	<u>\$ 1,569,548</u>	<u>\$ 1,745,651</u>
Total fund balances	<u>\$ 1,569,548</u>	<u>\$ 1,745,651</u>
Total liabilities and fund balance	<u>\$ 1,569,548</u>	<u>\$ 1,745,651</u>

See Independent Auditor's Report.

TOWN OF JENA, LOUISIANA
SALES TAX SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED DECEMBER 31, 2021
WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2020

	2021	2020
<u>REVENUES</u>		
Taxes	\$ 1,226,599	\$ 1,204,912
Interest	11,476	13,442
Total revenues	\$ 1,238,075	\$ 1,218,354
<u>EXPENDITURES</u>		
Current - general government		
Operating expense	\$ 6,153	\$ 6,208
Collection expense	8,573	9,972
Total expenditures	\$ 14,726	\$ 16,180
Excess of revenues over expenditures	\$ 1,223,349	\$ 1,202,174
<u>OTHER FINANCING USES</u>		
Operating transfers - out	\$ (1,399,452)	\$ (1,122,205)
Total other financing uses	\$ (1,399,452)	\$ (1,122,205)
Excess (deficiency) of revenues over expenditures and other financing uses	\$ (176,103)	\$ 79,969
Fund balances - beginning of year	1,745,651	1,665,682
Fund balances - end of year	\$ 1,569,548	\$ 1,745,651

See Independent Auditor's Report.

CAPITAL PROJECTS FUND

LCDBG Public Facilities Program

This fund accounts for the financing and construction of street improvements in the Town; financing to be provided by general revenues, excess sales tax revenues, and by a federal grant.

TOWN OF JENA, LOUISIANA
 CAPITAL PROJECTS FUND
 LCDBG PUBLIC FACILITIES PROGRAM

COMPARATIVE BALANCE SHEET

DECEMBER 31, 2021 AND 2020

	2021	2020
<u>ASSETS</u>		
Cash	\$ 10	\$ 10
Total assets	\$ 10	\$ 10
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities	\$ -	\$ -
Restricted fund balance	\$ 10	\$ 10
Total liabilities and fund balance	\$ 10	\$ 10

See Independent Auditor's Report.

TOWN OF JENA, LOUISIANA
 CAPITAL PROJECTS FUND
 LCDBG PUBLIC FACILITIES PROGRAM

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
<u>REVENUES</u>		
Capital grants	\$ -	\$ -
Total revenues	\$ -	\$ -
<u>EXPENDITURES</u>		
Capital expenditures	\$ -	\$ -
Total expenditures	\$ -	\$ -
Revenues under expenditures	\$ -	\$ -
<u>OTHER FINANCING SOURCES</u>		
Total other financing sources	\$ -	\$ -
Excess of revenues and other financing sources over expenditures	\$ -	\$ -
Fund balance - beginning of year	10	10
Fund balance - end of year	\$ 10	\$ 10

See Independent Auditor's Report.

UTILITY SYSTEM ENTERPRISE FUND

Enterprise funds are used for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes.

Utility system enterprise fund is used to account for operations of the natural gas distribution system, water distribution system, and sewer services provided to the residents of the Town and to certain surrounding areas. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, financing and related debt service, billing, and collection.

TOWN OF JENA, LOUISIANA
 ENTERPRISE FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2021 AND 2020

	2021	2020
<u>ASSETS</u>		
Current assets		
Cash	\$ 1,325,376	\$ 947,037
Receivables:		
Accounts (net of allowance for doubtful accounts)	235,406	280,070
Intergovernmental	5,943	5,943
Other	904	1,129
Due from other funds	56,507	-
Prepaid expenses	103,027	106,286
Inventory	114,280	114,280
	\$ 1,841,443	\$ 1,454,745
Total current assets		
Noncurrent assets		
Restricted assets		
Meter deposit account	\$ 168,961	\$ 164,481
Temporary investments (at cost)	378,660	375,299
Utility system improvement deposit accounts	426,114	396,391
	\$ 973,735	\$ 936,171
Total restricted assets		
Fixed assets		
Property, plant, and equipment	\$ 11,979,306	\$ 11,773,512
Accumulated depreciation	(9,640,273)	(9,449,839)
	\$ 2,339,033	\$ 2,323,673
Fixed assets (net of accumulated depreciaton)		
	\$ 5,154,211	\$ 4,714,589
Total assets		

- continued -

TOWN OF JENA, LOUISIANA
 ENTERPRISE FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2021 AND 2020

	2021	2020
<u>LIABILITIES</u>		
Current liabilities (payable from current assets)		
Accounts payable and accrued wages	\$ 37,164	\$ 13,860
Due to other funds	-	4,190
	\$ 37,164	\$ 18,050
Current liabilities (payable from restricted assets)		
Payable from meter deposit account		
Meter deposits	\$ 157,758	\$ 151,054
	\$ 157,758	\$ 151,054
Total current liabilities	\$ 194,922	\$ 169,104
Total liabilities	\$ 194,922	\$ 169,104
<u>NET POSITION</u>		
Investment in capital assets, net of related debt	\$ 2,339,033	\$ 2,323,673
Unrestricted	2,620,256	2,221,812
	\$ 4,959,289	\$ 4,545,485
Total net position	\$ 4,959,289	\$ 4,545,485
Total liabilities and net position	\$ 5,154,211	\$ 4,714,589

See Independent Auditor's Report.

TOWN OF JENA, LOUISIANA
 ENTERPRISE FUND
 MUNICIPAL UTILITIES SYSTEM

COMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES
 ALL DEPARTMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
<u>OPERATING REVENUES</u>		
Charges for sales and services	\$ 1,850,469	\$ 1,854,009
Other operating revenue	50,353	104,211
	\$ 1,900,822	\$ 1,958,220
<u>OPERATING EXPENSES</u>		
Natural gas purchases	\$ 263,336	\$ 168,531
Salaries	581,823	562,747
Employee benefits	319,846	270,734
Payroll taxes	9,022	8,271
Operating supplies	234,728	226,108
Gas and oil	25,497	22,212
Utilities	86,291	65,389
Telephone	13,337	15,268
Repairs and maintenance	108,873	92,556
Depreciation	205,645	192,407
Training	2,533	529
Uniform rental	8,888	8,720
Professional fees	25,764	45,625
Office expense	13,362	9,953
Insurance	102,931	104,169
Dues and subscriptions	475	880
Lab reports and surveys	51,302	95,145
Drug testing	907	720
Bad debts/recoveries	7,723	3,778
Miscellaneous	28,900	13,929
	\$ 2,091,183	\$ 1,907,671
Operating income (loss)	\$ (190,361)	\$ 50,549

See Independent Auditor's Report.

TOWN OF JENA, LOUISIANA
 ENTERPRISE FUND
 MUNICIPAL UTILITIES SYSTEM

COMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES
 WATER SYSTEM

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
<u>OPERATING REVENUES</u>		
Charges for sales and services	\$ 742,018	\$ 771,222
Other operating revenue	20,191	39,998
	\$ 762,209	\$ 811,220
<u>OPERATING EXPENSES</u>		
Salaries	\$ 191,950	\$ 186,674
Employee benefits	95,855	94,901
Payroll taxes	3,057	2,748
Operating supplies	132,164	119,910
Gas and oil	10,704	2,246
Utilities	27,216	21,961
Telephone	8,160	7,168
Training	2,163	449
Repairs and maintenance	69,296	19,605
Depreciation	84,173	79,919
Uniform rental	2,583	623
Professional fees	12,794	15,229
Office expense	10,207	7,149
Insurance	38,227	30,548
Dues and subscriptions	425	600
Lab reports and surveys	17,932	17,915
Bad debts/recoveries	2,694	1,221
Miscellaneous	10,468	5,062
	\$ 720,068	\$ 613,928
Total operating expenses	\$ 720,068	\$ 613,928
Operating income	\$ 42,141	\$ 197,292

See Independent Auditor's Report.

TOWN OF JENA, LOUISIANA
 ENTERPRISE FUND
 MUNICIPAL UTILITIES SYSTEM

COMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES
 NATURAL GAS SYSTEM

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
<u>OPERATING REVENUES</u>		
Charges for sales and services	\$ 727,487	\$ 698,828
Other operating revenue	19,796	44,300
	\$ 747,283	\$ 743,128
<u>OPERATING EXPENSES</u>		
Natural gas purchases	\$ 263,336	\$ 168,531
Salaries	158,295	153,207
Employee benefits	129,333	91,482
Payroll taxes	2,577	2,265
Operating supplies	28,879	32,350
Gas and oil	13,033	18,446
Utilities	14,528	9,111
Telephone	2,495	5,591
Repairs and maintenance	14,965	17,432
Depreciation	22,716	18,035
Uniform rental	2,328	6,316
Professional fees	6,672	22,673
Office expense	2,503	2,235
Insurance	41,525	33,082
Dues and subscriptions	50	140
Lab reports and surveys	20,157	60,596
Drug testing	907	720
Bad debts/recoveries	2,678	1,279
Miscellaneous	15,939	7,679
	\$ 742,916	\$ 651,170
Total operating expenses	\$ 742,916	\$ 651,170
Operating income	\$ 4,367	\$ 91,958

See Independent Auditor's Report.

TOWN OF JENA, LOUISIANA
 ENTERPRISE FUND
 MUNICIPAL UTILITIES SYSTEM

COMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES
 SEWER SYSTEM

YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
<u>OPERATING REVENUES</u>		
Charges for sales and services	\$ 380,964	\$ 383,959
Other operating revenue	10,366	19,913
	<u>\$ 391,330</u>	<u>\$ 403,872</u>
<u>OPERATING EXPENSES</u>		
Salaries	\$ 231,578	\$ 222,866
Employee benefits	94,658	84,351
Payroll taxes	3,388	3,258
Operating supplies	73,685	73,848
Gas and oil	1,760	1,520
Utilities	44,547	34,317
Telephone	2,682	2,509
Training	370	80
Repairs and maintenance	24,612	55,519
Depreciation	98,756	94,453
Uniform rental	3,977	1,781
Professional fees	6,298	7,723
Office expense	652	569
Insurance	23,179	40,539
Dues and subscriptions	-	140
Lab reports and surveys	13,213	16,634
Bad debts/recoveries	2,351	1,278
Miscellaneous	2,493	1,188
	<u>\$ 628,199</u>	<u>\$ 642,573</u>
Total operating expenses	<u>\$ 628,199</u>	<u>\$ 642,573</u>
Operating loss	<u>\$ (236,869)</u>	<u>\$ (238,701)</u>

See Independent Auditor's Report.

**FIDUCIARY FUNDS
(AGENCY)**

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments, and/or other funds.

Agency Funds

Accounts Payable Clearing Fund - to account for the collection and payment of purchases from vendors and suppliers.

Payroll Clearing Fund - to account for the collection and payment of employee compensation and payroll deductions to the appropriate agencies.

TOWN OF JENA, LOUISIANA
 FIDUCIARY FUNDS
 COMBINING BALANCE SHEETS
 DECEMBER 31, 2021

WITH COMPARATIVE TOTAL FOR DECEMBER 31, 2020

	Agency Funds		Totals	
	Accounts Payable Clearing Fund	Payroll Clearing Fund	2021	2020
<u>ASSETS</u>				
Cash	\$ 74,320	\$ 68,622	\$ 142,942	\$ 145,168
Total assets	<u>\$ 74,320</u>	<u>\$ 68,622</u>	<u>\$ 142,942</u>	<u>\$ 145,168</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities				
Due to other funds	\$ 74,320	\$ 68,622	\$ 142,942	\$ 145,168
Total liabilities	<u>\$ 74,320</u>	<u>\$ 68,622</u>	<u>\$ 142,942</u>	<u>\$ 145,168</u>
Fund balance				
Unreserved, undesignated	\$ -	\$ -	\$ -	\$ -
Total fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities and fund balance	<u>\$ 74,320</u>	<u>\$ 68,622</u>	<u>\$ 142,942</u>	<u>\$ 145,168</u>

See Independent Auditor's Report.

TOWN OF JENA, LOUISIANA
 SCHEDULE OF COMPENSATION, BENEFITS, AND
 OTHER PAYMENTS TO AGENCY HEAD AND GOVERNING BOARD
 FOR THE YEAR ENDED DECEMBER 31, 2021

Agency Head: The Honorable LaDawn Edwards, Mayor

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 51,750
Benefits - health insurance	8,292
Benefits - workmen's compensation insurance	762
Benefits - retirement	13,814
Vehicle allowance	8,400
Travel - general	<u>2,741</u>
Total	<u>\$ 85,759</u>

COMPENSATION PAID TO MAYOR AND TOWN COUNCIL

In accordance with the requirements of the Office of the Legislative Auditor, State of Louisiana, the following reflects compensation paid to the Mayor and members of the Town Council of Town of Jena, Louisiana for the year ending December 31, 2021:

Mayor, LaDawn Edwards	\$ 51,750
Town Council:	
David Chapman	3,600
Donald G. Richardson	3,600
David Paul Jones	3,600
Tommy Sandifer	3,600
Charles Francis	<u>3,600</u>
Total	<u>\$ 69,750</u>

TOWN OF JENA, LOUISIANA
LLA ENTITY ID: 2271.00

**JUSTICE SYSTEM FUNDING REPORTING SCHEDULE – COLLECTING/DISBURSING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION –
CASH BASIS PRESENTATION**

FOR THE YEAR ENDED DECEMBER 31, 2021

	First Six Month Period Ended <u>June 30, 2021</u>	Second Six Month Period Ended <u>December 31, 2021</u>
Beginning Balance of Amounts Collected	\$ -	\$ -
Add: Collections		
Civil fees	\$ -	\$ -
Bond fees	-	-
Asset forfeiture/sale	-	-
Pre-Trial Diversion Program fees	-	-
Criminal Court costs/fees	-	-
Criminal fines – contempt	-	-
Criminal fines – other	39,387	17,702
Restitution	-	-
Probation/parole/supervision fees	-	-
Service/collection fees (e.g. credit card fees, report fees, third-party service fees)	-	-
Interest earnings on collected balances	-	-
Other	-	-
Subtotal Collections	<u>\$ 39,387</u>	<u>\$ 17,702</u>
Less: Disbursements to Governments and Nonprofits		
Town of Jena Police, Louisiana Judicial College	\$ 58	\$ 29
Town of Jena Police, LCLE Statutory Dedicated Funds	1,097	384
Town of Jena Police, Central Louisiana Juvenile Detention Facility	870	435
Town of Jena Police, Louisiana Traumatic Head and Spinal Cord Injury Fund	70	45
Town of Jena Police, North Louisiana Criminalistic Laboratory Commission	3,300	1,350
Town of Jena Police, Trial Court Case Management Information system	<u>348</u>	<u>174</u>
Less: Amounts Retained by Collecting Agency		
Collection fee for collecting/ disbursing to others Based on percentage of collection	\$ -	\$ -
Collection fee for collecting/ disbursing to others Based on fixed amount	-	-
Amounts “self-disbursed” to collecting agency	-	-
Town of Jena criminal fines – other	<u>33,644</u>	<u>15,285</u>

Town of Jena, Louisiana
LLA Entity ID: 2271.00

JUSTICE SYSTEM FUNDING REPORTING SCHEDULE – COLLECTING/DISBURSING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION –
CASH BASIS PRESENTATION

FOR THE YEAR ENDED DECEMBER 31, 2021

	First Six Month Period Ended <u>June 30, 2021</u>	Second Six Month Period Ended <u>December 31, 2021</u>
Less: Disbursements to Individuals/Third Party Collection or Processing Agencies		
Civil fee refunds	\$ -	\$ -
Bond fee refunds	-	-
Restitution payments to individuals	-	-
Other disbursements to individuals	-	-
Payments to third-party collection/processing agencies	<u>-</u>	<u>-</u>
 Subtotal Disbursements/Retainage	 <u>\$ 39,387</u>	 <u>\$ 17,702</u>
 Total: Ending Balance of Amounts Collected but Not Disbursed/Retained	 <u>\$ -</u>	 <u>\$ -</u>
 Other Information:		
Ending balance of amounts assessed but not yet collected	<u>\$ -</u>	<u>\$ -</u>
 Total waivers during the fiscal period	 <u>\$ -</u>	 <u>\$ -</u>

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS
AND *THE UNIFORM GUIDANCE***



SILAS SIMMONS LLP

CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

209 N. Commerce St.
Natchez, MS 39120
P. O. Box 1027
Natchez, MS 39121
Tel: 601-442-7411
Fax: 601-442-8551

2120 Forsythe Ave.
Monroe, LA 71201
P. O. Box 4550
Monroe, LA 71211
Tel: 318-323-4481
Fax: 318-323-2188

www.silassimmons.com

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

The Honorable LaDawn Edwards, Mayor
and Members of the Town Council
Town of Jena, Louisiana

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Jena, Louisiana as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Town of Jena, Louisiana's basic financial statements, and have issued our report thereon dated June 6, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Town of Jena, Louisiana's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of Town of Jena, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Jena, Louisiana'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 misstatements on a timely basis. A *material weakness* is a deficiency, or 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 over financial reporting 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 material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Jena, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in black ink that reads "Silas Simmons, LLP". The signature is written in a cursive, flowing style.

Natchez, Mississippi
June 6, 2022

TOWN OF JENA, LOUISIANA
 SCHEDULE OF FINDINGS
 FOR THE YEAR ENDED DECEMBER 31, 2021

Section I: Summary of Auditor's Reports

A. Financial Statements:

1. Type of auditor's report issued on the financial statements Unmodified

B. Report on Internal Control and Compliance Material to the Financial Statements:

1. Internal control over financial reporting:

a. Material weakness(es) identified? None reported

b. Significant deficiency(ies) identified that are not considered
to be material weaknesses? None reported

2. Compliance:

a. Material noncompliance relating to the financial statements? None reported

TOWN OF JENA, LOUISIANA
STATUS OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020

<u>Reference No.</u>	<u>Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Action/Partial Corrective Action Taken</u>
Section I - Internal Control and Compliance Material to the Financial Statements:				
	None			
Section II - Internal Control:				
	None			
Section III - Management Letter:				
	None			

TOWN OF JENA, LOUISIANA

CURRENT YEAR FINDINGS, RECOMMENDATIONS, AND CORRECTIVE ACTION PLANNED

FOR THE YEAR ENDED DECEMBER 31, 2021

<u>Reference No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
----------------------	-------------------------------	----------------------------------	-------------------------------	------------------------------------

Section I - Internal Control and Compliance Material to the Financial Statements:

None

Section II - Internal Control and Compliance Material to Federal Awards:

None

Section III - Management Letter:

None

AGREED-UPON PROCEDURES REPORT



SILAS SIMMONS LLP
 CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

209 N. Commerce St.
 Natchez, MS 39120
 P. O. Box 1027
 Natchez, MS 39121
 Tel: 601-442-7411
 Fax: 601-442-8551

2120 Forsythe Ave.
 Monroe, LA 71201
 P. O. Box 4550
 Monroe, LA 71211
 Tel: 318-323-4481
 Fax: 318-323-2188

www.silassimmons.com

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

To the Town of Jena, Louisiana
 and the Louisiana Legislative Auditor

We have performed the procedures in the attached supplement, which were agreed to by the Town of Jena, Louisiana enumerated below on the control and compliance areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021, through December 31, 2021. Town of Jena, Louisiana's management is responsible for those control and compliance areas identified in the SAUPs.

The Town of Jena, Louisiana 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 control and compliance areas identified in LLA's SAUPs for the fiscal period January 1, 2021, through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Our procedures and findings are included in the supplement to this report

We were engaged by the Town of Jena, Louisiana 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 control and compliance 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 of Jena, Louisiana 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 control and compliance 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.

Silas Simmons, LLP

Natchez, Mississippi
June 6, 2022

**TOWN OF JENA, LOUISIANA
SCHEDULE OF PROCEDURES AND FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) *Budgeting*; including preparing, adopting, monitoring, and amending the budget.
 - b) *Purchasing*; including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
 - c) *Disbursements*; including processing, reviewing, and approving.
 - d) *Receipts/Collections*; including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation, etc.).
 - e) *Payroll/Personnel*; including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
 - f) *Contracting*; including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - g) *Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)*; including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases, etc.).
 - h) *Travel and Expense Reimbursement*; including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - i) *Ethics*; including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
 - j) *Debt Service*; including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
 - k) *Information Technology Disaster Recovery/Business Continuity*; including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from 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.
 - l) *Sexual Harassment*; including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Findings: We reviewed the written policies and procedures for the related functions listed above in the procedures. Through our procedures, we were able to verify that the Town has written policies and procedures for the related topics with the exception of sexual harassment. We noted the Town's sexual harassment policy did not have all the requirements included in R.S. 42: 342-344. The Town subsequently approved a sexual harassment policy with all the requirements of R.S. 42: 342-344 in 2022.

Board or Finance Committee

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

Findings: We obtained a copy of the Town's minutes for the fiscal period. We reviewed the minutes to determine whether the managing board met on a frequency in accordance with the Board's enabling legislation, charter, or equivalent document. We reviewed the minutes to determine whether they referenced or included monthly budget-to-actual comparisons. We obtained a copy of the prior year audit report and observed the unrestricted fund balance in the general fund as being positive.

No exceptions were noted to the above procedures.

Bank Reconciliations

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

Findings: We obtained a listing of bank accounts from the list management gave for bank confirmations and had management identify the main operating bank account. We selected the main operating bank account and randomly selected four additional bank accounts. We obtained the related bank statements and randomly selected one month from the fiscal period to review whether bank reconciliations had been prepared within two months of the related statement closing date, included evidence of a member of management unrelated to cash the cash collection/disbursement process had reviewed each bank reconciliation, and included documentation that management has researched reconciling items that have been outstanding for more than 12 months from the closing date.

No exceptions were noted during the above procedures.

Collections (excluding electronic funds transfers)

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

Findings: We reviewed a listing of deposit sites for the fiscal period and management's representation that the listing was complete. The Town only has one deposit site.

No exceptions were noted on the above procedures.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., five collection locations for five deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
- a) Employees responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) 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.

Findings: We obtained a listing of collection locations and management's representation that the listing is complete. The Town has only one collection location at the one deposit site. We obtained written policies and procedures and inquired of management and employees to determine whether employees who are responsible for cash collections do not share cash drawers/registers, do not prepare/make bank deposits, and are not responsible for posting collection entries to the general ledger or subsidiary ledgers, and employees responsible for reconciling cash collections to the general ledger or subsidiary ledger(s) are not responsible for collecting cash.

Through our procedures, we noted that the cash registers are shared amongst employees because there are more employees that can collect cash at one time than cash registers, in case an employee has to perform another duty.

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

Findings: We inquired of management to determine if they are covered by a bond or insurance policy for theft to determine that there is a blanket policy covering theft.

No exceptions to the above procedures.

7. Randomly select two deposit dates for each of the five bank accounts selected for Procedure 3 under "Bank Reconciliations" (select the next deposit date chronologically, if no deposits were made on the dates randomly selected, and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe 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).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Findings: We randomly selected two deposit dates for each of the five bank accounts selected under Procedure 3 and performed the procedures above by observing that receipts are sequentially pre-numbered and traced to collection documentation and the bank statements. We observed that deposits were made within one business day of receipt and that the deposits were traced from the bank statements to the general ledger.

No exceptions were noted during the above procedures.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select five locations (or all locations if less than five).
9. **Findings:** We obtained a listing of locations that process payments and management's representation that the listing is complete. The Town has one location for processing payments.

No exceptions were noted during the above procedures.

10. For each location selected under Procedure 8, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Findings: Using the Town's only location, we inquired of employees involved with non-payroll purchasing and payment functions and obtained written policies and procedures.

No exceptions were noted during the above procedures.

11. For each location selected under Procedure 8, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select five disbursements for each location, obtain supporting documentation for each transaction, and:
 - a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under Procedure 9, as applicable.

Findings: For each location from Procedure 8, we obtained the nonpayroll disbursement transaction population and management's representation that the population is complete. We randomly selected five disbursements and obtained the documentation that the disbursement matched the related original invoice and that the related documentation included evidence of segregation of duties tested under Procedure 9.

No exceptions were noted during the above procedures.

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

12. Obtain 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. Obtain management's representation that the listing is complete.

Findings: We obtained a listing of all active cards from management and management's representation that the listing was complete. The Town has six accounts for cards.

No exceptions were noted during the above procedures.

13. Using the listing prepared by management, randomly select five cards (or all cards if less than five) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.

Findings: We selected the monthly statements for the five accounts for one month randomly selected and observed that the statements were reviewed and approved.

No exceptions were noted during the above procedures.

14. Using the monthly statements or combined statements selected under Procedure 12, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Findings: For four of the statements, 10 transactions (or all transactions if less than 10) were selected and supporting documentation was obtained. Each transaction was supported by an original itemized receipt that identified what was purchased, written documentation of individuals in meals for meal charges.

No exceptions were noted during the above procedures.

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

15. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select five reimbursements, obtain 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:
- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (Procedure 1h).
 - d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Findings: We obtained a listing of all travel and travel-related expense reimbursements during the fiscal period and obtained management's representation that the listing is complete. We randomly selected five reimbursements and obtained the supporting documentation to observe how the reimbursement was determined, what the purpose was, and if the reimbursement was approved appropriately.

No exceptions were noted during the above procedures.

Contracts

16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select five contracts (or all contracts if less than five) from the listing, excluding the practitioner's contract, and:
- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g., change order), observe 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).
 - d) Randomly select one payment from the fiscal period for each of the five contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Findings: We obtained a list of all contracts in effect during the fiscal period and management's representation that the listing is complete. We observed that the contract was in accordance with the Louisiana Public Bid Law and observed that the contract was approved by the governing body/board. We randomly selected one payment from the fiscal period, the supporting invoice, and agreeing the invoice to the contract terms.

No exceptions were noted on the above procedures.

Payroll and Personnel

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

Findings: We obtained a listing of employees with their related salaries and randomly selected five employees to determine if compensation paid to them was in compliance with the terms of their employment contract. We also checked for any changes made to hourly pay rates/salaries during the fiscal period

No exceptions were noted on the above procedures.

18. Randomly select one pay period during the fiscal period. For the five employees or officials selected under Procedure 16, obtain attendance records and leave documentation for the pay period, and:
- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Findings: We randomly selected five employees to determine if each selected employee documented their daily attendance and leave, whether there was written documentation that supervisors approved the attendance and leave of the selected employees/officials, and whether there was a written documentation that the Town maintained written leave record on the selected employees.

No exceptions were noted during the above procedures.

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

Findings: We inquired with management as to whether any employees/officials were terminated during the fiscal period.

No exceptions to the above procedures.

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

Findings: We reviewed remittances and cancelled checks to verify payroll taxes were remitted timely to appropriate agencies.

No exceptions were noted during the above procedures.

Ethics

21. Using the five randomly selected employees/officials from Procedure 16 under "Payroll and Personnel" obtain ethics documentation from management, and:
- Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - Observe whether 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.

Findings: For the five employees selected from Procedure 16, we observed documentation that demonstrates each employee completed one hour of ethics training during the fiscal period and documentation that demonstrates each employee attested through signature verification that he/she has read the Town's policy during the fiscal period.

No exceptions were noted during the above procedures.

Debt Service

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

Findings: The Town does not have debt.

No exceptions were noted during the above procedures.

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

Findings: The Town does not have debt.

No exceptions were noted during the above procedures.

Fraud Notice

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

Findings: Management is not aware of any misappropriation of public funds.

No exceptions were noted during the above procedures.

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

Findings: Management 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.

No exceptions were noted during the above procedures.

Information Technology Disaster Recovery/Business Continuity

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

Findings: We obtained the Town's most recent documentation that it had backed up their critical data and verified that the backups can be restored.

No exceptions were noted during the above procedures.

Sexual Harassment

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

Findings: No training was conducted during 2021. Through discussions with management, we noted the Town is requiring employees to obtain training during 2022 and annually thereafter.

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

Findings: The Town has posted its sexual harassment policy. The procedures for filing a complaint were added to the policy in 2022.

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

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

Findings: The Town was not aware of any complaints of sexual harassment during 2021.