

TOWN OF FORDOCHE, LOUISIANA

FINANCIAL STATEMENTS

December 31, 2022

TOWN OF FORDOCHE, LOUISIANA

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

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

We have reviewed the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the **TOWN OF FORDOCHE, LOUISIANA** (Town), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Managements' Responsibility for the Financial Statements

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

Accountants' Responsibility

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

We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' Conclusion

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

Required Supplementary Information

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

Supplementary Information

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

Faulk & Winkler, LLC
Certified Public Accountants

Baton Rouge, Louisiana
June 13, 2023

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TOWN OF FORDOCHE, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our analysis of The Town of Fordoche's (Town) financial performance provides an overview of the Town's financial activities for the year ended December 31, 2022. The Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts. This MD&A should be read in conjunction with the financial statements which begin on Exhibit A.

FINANCIAL HIGHLIGHTS

The major financial highlights for 2022 are as follows:

Government-wide financial statements

- Assets and deferred outflows of resources of the Town's primary government exceeded its liabilities and deferred inflows of resources at the close of the year by \$1.95 million (net position). Of this amount, \$436,489 (unrestricted net position) may be used without restrictions to meet the Town's ongoing obligations to citizens.
- The primary government's total net position decreased by \$7,703 during 2022. This is primarily due to decreases in video poker and sales tax revenues and increases in personnel costs and utility operating costs in the current year.
- Governmental activities' net position increased by \$13,043. The increase is primarily due to an increase in charges for services.
- Business-type activities' net position decreased by \$20,746. This decrease in net position is due to an increase in personnel expenses during the year.

General Fund financial statements

- As of the end of the year, governmental funds reported a fund balance of \$394,048, a increase of \$51,195 in comparison to the prior year. Approximately 97% of the fund balance (\$383,134) is unassigned for purposes of meeting the government's ongoing obligations to citizens and creditors and to be used in future operations and acquisitions of new capital assets that will improve the operations of the Town.

Significant aspects of the Town's financial well being, as of and for the year ended December 31, 2022, are detailed throughout this analysis.

USING THIS ANNUAL REPORT

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

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

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

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

Reporting on the Town as a Whole

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

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

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

Governmental activities - Most of the Town's basic services are reported here, including public safety, highway and streets, culture and recreation, and general administration.

Property, sales, and video poker taxes, franchise fees and fines finance most of these activities.

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

At December 31, 2022, the Town's net position was \$1.95 million, of which \$436,489 is unrestricted and \$1.51 million was invested in capital assets. Restricted net position is reported separately to show legal constraints from legislation that limits the Town's ability to use that net position for day-to-day operations. There is no restricted net position as of December 31, 2022. The analysis of the primary government focuses on the net position and change in net position of the Town's governmental activities and business-type activities is as follows:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 643	\$ 502	\$ 185	\$ 128	\$ 828	\$ 630
Capital assets	815	855	700	733	1,515	1,588
Total assets	1,458	1,357	885	861	2,343	2,218
Deferred outflows of resources	10	4	13	5	23	9
Total assets & deferred outflows of resources	<u>\$ 1,468</u>	<u>\$ 1,361</u>	<u>\$ 898</u>	<u>\$ 866</u>	<u>\$ 2,366</u>	<u>\$ 2,227</u>
Current and other liabilities	\$ 291	\$ 157	\$ 40	\$ 39	\$ 331	\$ 196
Long-term liabilities	36	25	47	30	83	55
Total liabilities	<u>327</u>	<u>182</u>	<u>87</u>	<u>69</u>	<u>414</u>	<u>251</u>
Deferred inflows of resources	-	8	1	9	1	17
Net position:						
Net investment in capital assets	815	855	700	733	1,515	1,588
Unrestricted	326	316	110	55	436	371
Total net position	<u>1,141</u>	<u>1,171</u>	<u>810</u>	<u>788</u>	<u>1,951</u>	<u>1,959</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 1,468</u>	<u>\$ 1,361</u>	<u>\$ 898</u>	<u>\$ 866</u>	<u>\$ 2,366</u>	<u>\$ 2,227</u>

Net position of the Town's governmental activities during 2021 and 2022 decrease by \$30,000. Unrestricted net position represents the part of net position that can be used to finance day-to-day operations without constraints established by legislation or other legal requirements. The \$326,000 in unrestricted net position of governmental activities represents the cumulative results of operations since the Town's inception.

The changes in net position are discussed later in this analysis. The net position of the Town's business activities decreased by 3% or \$21,000 during 2022. The Town operates water services for its citizens.

The results of 2022 and 2021 operations for the primary government as reported in the Statement of Activities, are as follows:

Town of Fordoche
Statements of Activities
For the years ended December 31, 2022 and 2021
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program:						
Charges for services	\$ 107	\$ 67	\$ 137	\$ 137	\$ 244	\$ 204
Operating grants	6	5	-	-	6	5
Capital grants	-	39	-	-	-	39
General:						
Sales taxes	113	119	-	-	113	119
Video poker taxes	23	29	-	-	23	29
Franchise taxes	29	25	-	-	29	25
Ad valorem taxes	54	54	-	-	54	54
Other	7	5	2	1	9	6
Total revenues	<u>339</u>	<u>343</u>	<u>139</u>	<u>138</u>	<u>478</u>	<u>481</u>
Functions/Program Expenses:						
General government	133	151	-	-	133	151
Public safety	53	58	-	-	53	58
Highway and streets	62	49	-	-	62	49
Health and welfare	-	1	-	-	-	1
Culture and recreation	78	52	-	-	78	52
Utility operations	-	-	160	126	160	126
Total expenses	<u>326</u>	<u>311</u>	<u>160</u>	<u>126</u>	<u>486</u>	<u>437</u>
Change in net position	13	32	(21)	12	(8)	44
Beginning net position	<u>1,171</u>	<u>1,139</u>	<u>788</u>	<u>776</u>	<u>1,959</u>	<u>1,915</u>
Ending net position	<u>\$ 1,184</u>	<u>\$ 1,171</u>	<u>\$ 767</u>	<u>\$ 788</u>	<u>\$ 1,951</u>	<u>\$ 1,959</u>

Fund Financial Statements

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

Reporting the Town's Most Significant Funds

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

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

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

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

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

Financial Analysis of the Government's Funds

The general government operations of the Town are accounted for in the General Fund. The focus of this fund, as noted earlier, is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. The following is a summary of general governmental operations for 2022 and 2021:

	General Fund	
	2022	2021
	(in thousands)	
Revenues and other financing sources	\$ 337	\$ 351
Expenditures and other financing uses	286	303
Net change in fund balance	51	48
Fund balance - beginning	343	295
Fund balance - ending	\$ 394	\$ 343

The Town's General Fund experienced a increase in fund balance of \$51,000 during 2022 that primarily resulted from increase in tax revenues compared to the prior year. At year end, the fund's balance was \$394,048, of which \$383,134 was unassigned and available for utilization at the Town's discretion.

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

	2022		2021	
	(In thousands)			
Taxes	\$ 218	65%	\$ 228	65%
Fines	28	8%	27	8%
Licenses and permits	27	8%	25	7%
Intergovernmental	6	2%	52	15%
Other	58	18%	19	4%
Total	\$ 337	100%	\$ 351	100%

Revenues of the General Fund for 2022 totaled approximately \$337,000, representing a decrease of 2% from the previous year.

As noted on the previous page, the Town's activities are largely supported by fines and taxes, which represented 72% of total governmental resources during 2022.

Expenditures of the primary government decreased by \$17,000 or 6% in 2022, primarily related to increases in general government (\$28,000) and decreases in capital outlay (\$59,000), and public safety (\$3,000) expenditures. Governmental expenditures by functions are summarized as follows:

<u>Function</u>	(In thousands)			
General government	\$ 130	45%	\$ 123	41%
Public safety	47	16%	50	17%
Highways and streets	48	17%	37	12%
Culture and recreation	50	17%	22	7%
Health and welfare	-	0%	1	0%
Capital outlay	11	5%	70	23%
Total	<u>\$ 286</u>	<u>100%</u>	<u>\$ 303</u>	<u>100%</u>

GENERAL FUND BUDGETARY HIGHLIGHTS

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

During the year, the Town hosted its annual fair for the first time in three years due to the COVID-19 pandemic. The fair exceeded its budgeted revenue amount by \$11,000 and sales tax exceeded budget by \$8,300.

With these adjustments, revenues were \$36,167 more than the related final budget amounts of \$301,504, and charges to appropriations (expenditures) were \$24,545 less than the related final budget appropriation of \$311,021.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2022, the Town had \$1.51 million invested in a broad range of capital assets, including vehicles, computer equipment, office furniture, land, buildings, water and gas distribution systems, and a sewer treatment facility.

	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
	(in thousands)					
Land	\$ 61	\$ 61	\$ 10	\$ 10	\$ 71	\$ 71
Buildings	646	676	-	-	646	676
Vehicles	33	39	-	-	33	39
Machinery and equipment	62	62	5	6	67	68
Furniture and equipment	13	17	-	-	13	17
Water systems	-	-	685	718	685	718
Capital assets, net of depreciation	<u>\$ 815</u>	<u>\$ 855</u>	<u>\$ 700</u>	<u>\$ 734</u>	<u>\$ 1,515</u>	<u>\$ 1,589</u>

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

Long-term Debt

At the end of 2022, the Town had \$84,054 in long-term debt obligations, all which are related to net pension liability. This represents an increase of \$29,105 from the end of 2022. See Note 6.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The Town's elected and appointed officials considered many factors when setting the 2022 budget and tax rates. One of those factors is the local economy, with the major economic industries in the surrounding area being agriculture and manufacturing.

An important factor affecting the budget is the Town's taxes and fines and forfeitures revenues which approximate 70% of budgeted revenue in the General Fund. The Town budgeted a decrease in revenue of \$36,500 in the General Fund compared to results for the current year. Additionally, the Town is projecting an increase in expenditures of \$58,300 compared to the current year relating to a increase in capital outlay expenditures in the General Fund of \$37,500. If these estimates are realized during 2022, the Town's General Fund balance will decrease by \$44,300 compared to an increase of \$50,535 during 2022.

Contacting the Town's Financial Management

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

BASIC FINANCIAL STATEMENTS

TOWN OF FORDOCHE, LOUISIANA
STATEMENT OF NET POSITION

December 31, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 289,014	\$ 150,805	\$ 439,819
Restricted cash:			
Grant advances	289,554	-	289,554
Customer utility deposits	-	22,189	22,189
Accounts receivable, net	6,605	6,116	12,721
Due from other governments	47,429	-	47,429
Prepaid assets	10,914	6,364	17,278
Capital assets:			
Nondepreciable	61,450	9,950	71,400
Depreciable, net	753,504	689,873	1,443,377
Total assets	1,458,470	885,297	2,343,767
DEFERRED OUTFLOWS OF RESOURCES			
Pension liability	9,956	13,121	23,077
Total assets and deferred outflows of resources	\$ 1,468,426	\$ 898,418	\$ 2,366,844
LIABILITIES			
Accounts payable and accrued liabilities	\$ 521	\$ 11,911	\$ 12,432
Due to other governments	510	-	510
Unearned revenue - grant advances	289,554	5,769	295,323
Customer utility deposits	-	22,189	22,189
Long-term payables:			
Net pension liability	36,264	47,790	84,054
Total liabilities	326,849	87,659	414,508
DEFERRED INFLOWS OF RESOURCES			
Pension liability	462	608	1,070
Total liabilities and deferred inflows of resources	327,311	88,267	415,578
NET POSITION			
Investment in capital assets	814,954	699,823	1,514,777
Unrestricted	326,161	110,328	436,489
Total net position	1,141,115	810,151	1,951,266
Total liabilities, deferred inflows of resources, and net position	\$ 1,468,426	\$ 898,418	\$ 2,366,844

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

TOWN OF FORDOCHE, LOUISIANA
STATEMENT OF ACTIVITIES

For the year ended December 31, 2022

	Program Revenues				Net Revenue (Expenses) and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/Programs							
Primary government:							
Governmental activities:							
General government	\$ 133,239	\$ 26,205	\$ -	\$ -	\$ (107,034)	\$ -	\$ (107,034)
Public safety	52,864	27,602	6,000	-	(19,262)	-	(19,262)
Highway and streets	61,612	3,974	-	-	(57,638)	-	(57,638)
Culture and recreation	78,113	48,963	-	-	(29,150)	-	(29,150)
Total governmental activities	325,828	106,744	6,000	-	(213,084)	-	(213,084)
Business-type activities:							
Utility operations	159,715	136,547	-	-	-	(23,168)	(23,168)
Total primary government	\$ 485,543	\$ 243,291	\$ 6,000	\$ -	(213,084)	(23,168)	(236,252)
General revenues:							
Taxes:							
Sales					113,321	-	113,321
Ad valorem					53,594	-	53,594
Video poker					23,098	-	23,098
Franchise					28,504	-	28,504
Grants and contributions not restricted to specific programs					1,200	1,582	2,782
Interest earnings					6,410	840	7,250
Transfers					(42,924)	42,924	-
Total general revenues					183,203	45,346	228,549
Change in net position					(29,881)	22,178	(7,703)
Net position - beginning of year					1,170,996	787,973	1,958,969
Net position - end of year					\$ 1,141,115	\$ 810,151	\$ 1,951,266

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

TOWN OF FORDOCHE, LOUISIANA

**BALANCE SHEET
GOVERNMENTAL FUND**

December 31, 2022

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 289,014
Restricted cash - grant advances	289,554
Accounts receivable, net	6,605
Due from other governments	47,429
Due from Public Utility Fund	-
Prepaid assets	<u>10,914</u>
 Total assets	 \$ <u><u>643,516</u></u>
LIABILITIES	
Accounts payable and accrued liabilities	\$ 521
Due to other governments	510
Unearned revenue - grant advances	<u>289,554</u>
 Total liabilities	 <u>290,585</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - ad valorem taxes	<u>1,807</u>
FUND BALANCE	
Non-spendable	10,914
Unassigned	<u>340,210</u>
 Total fund balance	 <u>351,124</u>
 Total liabilities, deferred inflows of resources, and fund balance	 \$ <u><u>643,516</u></u>

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

TOWN OF FORDOCHE, LOUISIANA

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

December 31, 2022

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

Total fund balance - governmental fund (Exhibit A-2)	\$	351,124
Capital assets used in governmental activities that are not financial resources and, therefore, are not reported in the governmental fund, net of accumulated depreciation.		814,954
Some tax revenues were collected more than sixty days after year-end and, therefore, are not available soon enough to pay for current-period expenditures		
Ad valorem taxes		1,807
Pension related obligations are not due and payable with current resources and, therefore, are not reported in governmental funds.		
Deferred outflows related to pension liability	9,956	
Deferred inflows related to pension liability	(462)	
Net pension liability	(36,264)	(26,770)
Net position of governmental activities (Exhibit A)	\$	1,141,115

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

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

For the year ended December 31, 2022

	General Fund
REVENUES	
Taxes:	
Sales and use	\$ 113,321
Ad valorem	53,594
Video poker	23,098
Franchise	28,504
Charges for services	52,959
Fines	27,602
License and permits	26,183
Intergovernmental	6,000
Investment income	6,410
Total revenues	337,671
EXPENDITURES	
Current function:	
General government	129,931
Public safety	46,644
Highways and streets	48,633
Culture and recreation	49,775
Capital outlay	11,493
Total expenditures	286,476
Excess of revenues over expenditures	51,195
OTHER FINANCING SOURCES	
Transfer to Utility Fund	(42,924)
Net change in fund balance	8,271
FUND BALANCE	
Beginning of year	342,853
End of year	\$ 351,124

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

TOWN OF FORDOCHE, LOUISIANA

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

For the year ended December 31, 2022

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

Net change in fund balance - total governmental funds (Exhibit A-4)	\$	8,271
<p>The governmental fund reports capital outlay as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation.</p>		
Capital outlay		11,493
Depreciation expense		(51,485)
		(39,992)
Changes in net pension obligations are reported only in the Statement of Activities		1,840
Change in net position of governmental activities (Exhibit A-1)	\$	(29,881)

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

December 31, 2022

	<u>Public Utility Fund</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 150,805
Restricted cash - customer utility deposits	22,189
Accounts receivable, net	6,116
Prepaid expenses	<u>6,364</u>
Total current assets	<u>185,474</u>
Noncurrent assets:	
Capital assets:	
Nondepreciable	9,950
Depreciable, net	<u>689,873</u>
Total noncurrent assets	<u>699,823</u>
Total assets	<u>885,297</u>
DEFERRED OUTFLOWS OF RESOURCES	
Net pension liability	<u>13,121</u>
Total assets and deferred inflows of resources	<u>\$ 898,418</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 11,911
Deferred revenue	5,769
Customer utility deposits	<u>22,189</u>
Total current liabilities	39,869
Non-current liabilities:	
Net pension liability	<u>47,790</u>
Total liabilities	<u>87,659</u>
DEFERRED INFLOWS OF RESOURCES	
Net pension liability	<u>608</u>
NET POSITION	
Investment in capital assets	699,823
Unrestricted	<u>110,328</u>
Total net position	<u>810,151</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 898,418</u>

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

TOWN OF FORDOCHE, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN PROPRIETARY NET POSITION
PROPRIETARY FUND

For the year ended December 31, 2022

	<u>Public Utility Fund</u>
OPERATING REVENUES	
Charges for services:	
Water fees	\$ 120,516
Collection fees - Pointe Coupee Parish Government	11,678
Penalties	<u>4,353</u>
Total operating revenues	<u>136,547</u>
OPERATING EXPENSES	
Personnel	64,704
Depreciation	38,968
Maintenance and repairs	16,120
Utilities	13,195
Insurance	11,365
Professional services	8,380
Materials and supplies	<u>6,983</u>
Total operating expenses	<u>159,715</u>
Operating income	<u>(23,168)</u>
NONOPERATING	
Pension revenue	1,582
Interest	<u>840</u>
Total nonoperating, net	<u>2,422</u>
Deficiency before capital grants and contributions and transfers	<u>(20,746)</u>
Transfers in	<u>42,924</u>
Change in net position	22,178
NET POSITION	
Beginning of year	<u>787,973</u>
End of year	<u>\$ 810,151</u>

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

TOWN OF FORDOCHE, LOUISIANA

STATEMENT OF CASH FLOWS
PROPRIETARY FUND

For the year ended December 31, 2022

	Public Utility Fund
CASH FLOW FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 137,306
Payments to suppliers	(55,207)
Payments to employees	(64,396)
	<u>17,703</u>
Net cash provided by operating activities	<u>17,703</u>
CASH FLOWS FROM INVESTING RELATED ACTIVITIES	
Interest income	<u>840</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES	
Increase in customer deposits	1,370
Pension revenue	<u>1,582</u>
Net cash provided by noncapital and related financing activities	<u>2,952</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	<u>(5,349)</u>
Net increase in cash	16,146
CASH	
Beginning of period	<u>156,848</u>
End of period	<u>\$ 172,994</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income	\$ (23,168)
Adjustments for to reconcile operating income to net cash provided by operating activities:	
Depreciation	38,968
Change in operating assets and liabilities:	
Accounts receivable and other assets and outflows	(9,538)
Accounts payable and accrued liabilities and inflows	<u>11,441</u>
Net cash provided by operating activities	<u>\$ 17,703</u>
RECONCILIATION OF CASH AND RESTRICTED CASH	
Cash and cash equivalents	\$ 150,805
Restricted cash - meter deposits	<u>22,189</u>
Total cash	<u>\$ 172,994</u>

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

TOWN OF FORDOCHE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement Presentation

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

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

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

Reporting Entity

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

GASB Statement No. 14, as amended by GASB Statement No. 61, established criteria for determining which component units should be considered part of the Town for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability.

(continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

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

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

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

Basis of Presentation

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

Government-wide Financial Statements

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

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

(continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide Financial Statements (Continued)

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

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

Fund Financial Statements

The fund financial statements are very similar to the traditional government fund statements as prepared by governments prior to the issuance of GASB No. 34. Emphasis is now on the major funds in either the governmental or business-type categories. Non-major funds (by category) or fund type are summarized into a single column in the basic financial statements. The Town does not operate any non-major funds in 2022.

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

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

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

(continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements (Continued)

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

Governmental Fund Types

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

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

Proprietary Fund Types

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

Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The Town considers the Public Utilities Fund a major enterprise fund.

(continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting and Measurement Focus

Government-wide financial statements

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

Fund financial statements

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting and Measurement Focus (Continued)

Fund financial statements (Continued)

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

Cash and Cash Equivalents

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. In business-type activities, uncollectible amounts due from utility billing receivables are recognized as bad debts through the use of an allowance account or are directly charged off at the time information becomes available which indicates that the particular receivable is not collectible. An allowance for doubtful accounts of \$1,761 in the Public Utility Fund, respectively, was recorded at December 31, 2022.

Interfund Receivables/Payables

During the course of operations, transactions may occur between individual funds. Those related to short-term borrowings are classified as “due from other funds” or “due to other funds” on the balance sheet. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” There are no interfund receivables/payables December 31, 2022.

Interfund Transfers

Advances between funds which are not expected to be repaid are accounted for as transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated. In those cases where repayment is expected, the advances are accounted for through the various interfund accounts. The General Fund transferred \$42,924 to the Public Utility Fund during the year ended December 31, 2022.

Capital Assets

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

Government-wide Statements

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Government-wide Statements (Continued)

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

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

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

Right of Use Assets

Right of use assets are a result of leases in which the Town has entered into a contract with a lessor that conveys control of the right to use the lessor's nonfinancial asset as specified by the contract for a period of time in an exchange or exchange-like transaction. Such assets are reported on the government-wide financial statements net of amortization. Right of use assets are amortized at the lesser of the useful life or lease term. The Town has not entered into any agreements gaining control of the right to use a lessor's nonfinancial assets as described above at December 31, 2022.

Fund Financial Statements

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

The Town has the following policy relating to compensated absences:

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

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

Governmental Activities and Business-Type Activities Net Position

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

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

Governmental Fund Balances

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Restricted Resources

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

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

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

Deferred Outflows and Inflows of Resources

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

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

Budget Policy and Budgetary Accounting

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budget Policy and Budgetary Accounting (Continued)

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

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

Sales and Use Tax

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

Estimates

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

Current Accounting Standards Implemented

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

In preparing these financial statements, the Town has evaluated events and transactions for potential recognition or disclosure through June 13, 2023, which was the date the financial statements were available to be issued.

NOTE 2 - CASH AND CASH EQUIVALENTS

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

Custodial credit risk is the risk that in the event of a financial institution failure, the Town's deposits may not be returned to them. To mitigate this risk, state law requires public deposits to be secured by federal deposit insurance or the pledge of qualified securities owned by the fiscal agent financial institution. As of December 31, 2022, the Town had no deposits exposed to custodial risk.

As of December 31, 2022, the Town had a balance of \$536,115 invested in LAMP.

LAMP is administered by a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pools of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955.

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

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

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

NOTE 2 - CASH AND EQUIVALENTS (CONTINUED)

- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 52 days as of December 31, 2022.
- Foreign currency risk: Not applicable.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

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

The government's investments are categorized as either (1) insured or registered for which the securities are held by the government or its agent in the government's name, (2) uninsured and unregistered for which the securities are held by the broker's or dealer's trust department or agent in the government's name, or (3) uninsured and unregistered for which securities are held by the broker or dealer, or by its trust department or agent but not in the government's name. Cash and cash equivalents consisted of the following as of December 31, 2022:

Unrestricted:	
Investments in LAMP	\$ 536,115
Deposits	223,936
Cash on hand	<u>1,104</u>
Total unrestricted	<u>\$ 761,155</u>

NOTE 3 - ACCOUNTS RECEIVABLE AND DUE FROM OTHER GOVERNMENTS

Accounts receivable at December 31, 2022 for the primary government, were as follows:

Primary Government

Utility charges, net	\$ 6,116
Franchise taxes	<u>6,605</u>
Total primary government	<u>\$ 12,721</u>

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

Due from other governments at December 31, 2022 for the primary government, were:

Primary Government

Ad valorem taxes	\$ 43,603
Video poker taxes	1,842
Other	<u>1,984</u>
Total primary government	<u>\$ 47,429</u>

NOTE 4 - AD VALOREM TAXES

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

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

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

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

For 2022, taxes of 12.800 mills were levied on property with assessed valuations totaling \$4,196,500 and were dedicated to general governmental operations. Total taxes levied were \$53,715.

NOTE 5 - CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2022, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 61,450	\$ -	\$ -	\$ 61,450
Capital assets not being depreciated:	61,450	-	-	61,450
Capital assets being depreciated:				
Buildings and improvements	1,026,696	-	-	1,026,696
Tractors and equipment	151,991	10,128	-	162,119
Office furniture and equipment	143,020	1,365	-	144,385
Vehicles	84,984	-	-	84,984
Capital assets being depreciated:	1,406,691	11,493	-	1,418,184
Less accumulated depreciation for:				
Buildings and improvements	350,607	30,875	-	381,482
Tractors and equipment	89,600	10,450	-	100,050
Office furniture and equipment	126,950	3,954	-	130,904
Vehicles	46,038	6,206	-	52,244
Total accumulated depreciation	613,195	51,485	-	664,680
Total capital assets being depreciated, net	793,496	(39,992)	-	753,504
Total governmental capital assets, net	\$ 854,946	\$ (39,992)	\$ -	\$ 814,954

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

Governmental activities:	Amount
Public safety	\$ 6,220
Culture and recreation	28,338
Highways and streets	12,979
General government	3,948
Total depreciation expense - governmental activities	\$ 51,485

NOTE 5 - CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 9,950	\$ -	\$ -	\$ 9,950
Capital assets not being depreciated:	9,950	-	-	9,950
Capital assets being depreciated:				
Water system	1,592,070	5,349	-	1,597,419
Tractors and equipment	79,990	-	-	79,990
Office furniture and equipment	1,238	-	-	1,238
Vehicles	23,844	-	-	23,844
Capital assets being depreciated:	1,697,142	5,349	-	1,702,491
Less accumulated depreciation for:				
Water system	874,229	38,562	-	912,791
Tractors and equipment	74,339	406	-	74,745
Office furniture and equipment	1,238	-	-	1,238
Vehicles	23,844	-	-	23,844
Total accumulated depreciation	973,650	38,968	-	1,012,618
Total capital assets being depreciated, net	723,492	(33,619)	-	689,873
Total business-type capital assets, net	\$ 733,442	\$ (33,619)	\$ -	\$ 699,823

Depreciation expense for business-type activities for 2022 was \$38,968.

NOTE 6 - PENSION PLAN

Plan Description

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

NOTE 6 - PENSION PLAN (CONTINUED)

Plan Description (Continued)

The Municipal Employees’ Retirement System of Louisiana has issued a stand-alone audit report on their financial statements for the year ended June 30, 2022. Access to the report can be found on System’s website, www.mersla.com, or the Louisiana Legislative Auditor’s website, www.la.gov.

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

Funding Policy

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer’s portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems’ Actuarial Committee (PRSAC).

Contributions to the plans are required and determined by State statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended December 31, 2022, for the Town and covered employees were as follows:

Plan	Town	Employees
MERS (Plan B)	15.50%	5.00%

The Town’s contribution to the System under Plan B for the years ended December 31, 2022, 2021, 2020 and 2019 was \$12,252, \$11,373, \$10,208, and \$10,019, respectively.

Pension Liabilities and Expense and Deferred Outflows and Inflows of Resources

At December 31, 2022, the Town reported a net pension liability of \$84,054 for its proportionate share of the net pension liability. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The Town’s proportion of the net pension liability was based on a projection of the Town’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

Based on the actuarial valuation as of December 31, 2022, the Town’s proportion was 0.095735%, which increased from 0.094853%.

For the year ended December 31, 2022, the Town recognized pension expense of \$1,250.

NOTE 6 - PENSION PLAN (CONTINUED)

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

At December 31, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,070
Changes of assumptions	899	-
Net difference between projected and actual earnings on pension plan investments	15,460	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	636	-
Differences between allocated and actual contributions	-	-
Employer contributions subsequent to the measurement date	6,082	-
	\$ 23,077	\$ 1,070

The Town reported \$6,082 as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year	MERS
2022	\$ 4,088
2023	3,236
2024	1,667
2025	6,934
	\$ 15,925

NOTE 6 - PENSION PLAN (CONTINUED)

Actuarial Assumptions

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

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal Cost
Expected Remaining Service Lives	3 years
Investment Rate of Return	6.85%, net of investment expense, including inflation of 2.5%
Mortality	<p>PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, adjusted using respective male and female MP2018 scales</p> <p>PubG-2010(B) Employee Table set equal to 120% for males and females, adjusted using respective male and female MP2018 scales</p> <p>PubG-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale</p>
Salary Increases	<p>1 to 4 years of service- 7.4%</p> <p>More than 4 years of service- 4.9%</p>
Cost of Living Adjustments	<p>The System is authorized under state law to grant a cost of living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows the System to grant additional cost of living increases to all retirees and beneficiaries who are age sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.</p>

NOTE 6 - PENSION PLAN (CONTINUED)

Actuarial Assumptions (continued)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts regarding the net pension liability are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an experience study for the period July 2013 through June 2018.

Discount Rate

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and adjusting for the effect of rebalancing/diversification. The discount rate used to measure the total pension liability was 6.85% for the year ended June 30, 2022.

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

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

(continued)

NOTE 6 - PENSION PLAN (CONTINUED)

Sensitivity to Changes in Discount Rate

The following presents the employer’s proportionate share of the net pension liability using the discount rate of 6.85%, as well as the employer’s proportionate share of the net pension liability if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by MERS:

	1.0% Decrease	Current Discount Rate	1.0% Increase
MERS			
Discount Rates	5.850%	6.850%	7.850%
Shares of Net Pension Liability	\$ 114,581	\$ 84,054	\$ 58,235

NOTE 7 - COMMITMENTS AND CONTINGENCIES

Risk Management

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

Grants

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

NOTE 8 - COMPENSATION OF GOVERNING BODY

During 2022, Council members received compensation as follows:

	Amount
Don Sonnier	\$ 600
Robin Cashio	600
Ronnie Bonaventure	600
Tiffany Gremillion	600
Callie Meche	600
 Total	 \$ 3,000

TOWN OF FORDOCHE, LOUISIANA

REQUIRED SUPPLEMENTARY INFORMATION

**TOWN OF FORDOCHE, LOUISIANA
GENERAL FUND**

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

For the year ended December 31, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - positive (negative)</u>
REVENUES				
Taxes:				
Sales and use	\$ 105,000	\$ 105,000	\$ 113,321	\$ 8,321
Ad valorem	50,000	50,000	53,594	3,594
Video poker	20,000	20,000	23,098	3,098
Franchise	30,000	30,000	28,504	(1,496)
Fines	25,100	25,100	27,602	2,502
License and permits	28,930	28,930	26,183	(2,747)
Intergovernmental	100	100	6,000	5,900
Charges for services	41,749	41,749	52,959	11,210
Investment income	125	125	6,410	6,285
Miscellaneous	500	500	-	(500)
	<u>301,504</u>	<u>301,504</u>	<u>337,671</u>	<u>36,167</u>
EXPENDITURES				
Current function:				
General government	145,897	145,897	129,931	15,966
Public safety	59,180	59,180	46,644	12,536
Highways and streets	43,424	43,424	48,633	(5,209)
Health and welfare	800	800	-	800
Culture and recreation	22,720	22,720	49,775	(27,055)
Capital outlay	39,000	39,000	11,493	27,507
	<u>311,021</u>	<u>311,021</u>	<u>286,476</u>	<u>24,545</u>
Excess (deficiency) of revenues over expenditure	(9,517)	(9,517)	51,195	60,712
OTHER FINANCING SOURCES				
Transfer to Utility Fund	-	-	(42,924)	(42,924)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net change in fund balance	<u>\$ (9,517)</u>	<u>\$ (9,517)</u>	8,271	<u>\$ 17,788</u>
FUND BALANCE				
Beginning of year, restated			<u>342,853</u>	
End of year			<u>\$ 351,124</u>	

TOWN OF FORDOCHE, LOUISIANA

NOTE TO BUDGETARY INFORMATION

For the year ended December 31, 2022

NOTE 1 - BUDGET

Budget Policy and Budgetary Accounting

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

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

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

Basis of Accounting

All of the Town's funds budgets are prepared on the modified accrual basis of accounting, which is described in Note 1 to the Town's financial statements for the year ended December 31, 2022. The Town's basis of budgetary accounting follows generally accepted accounting principles.

TOWN OF FORDOCHE, LOUISIANA

OTHER SUPPLEMENTARY INFORMATION

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

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

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

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

MERS = Municipal Employees' Retirement System

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

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

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

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

MERS = Municipal Employees' Retirement System

TOWN OF FORDOCHE, LOUISIANA

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

For the year ended December 31, 2022

NOTE 1 - NET PENSION LIABILITY

Changes of Benefit Terms

Municipal Employees' Retirement System (Plan B)

No Changes.

Changes of Assumptions

Municipal Employees' Retirement System (Plan B)

No Changes.

Changes for the prior years are noted below:

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

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

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

For the year ended December 31, 2022

Agency Head: Mayor Teddy Gros

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

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

For the year ended December 31, 2022

	First Six Month Period Ending, June 30, 2022	Second Six Month Period Ending, December 31, 2022
BEGINNING BALANCE OF AMOUNTS COLLECTED	\$ -	\$ -
COLLECTIONS:		
Criminal Fines - Other	17,372	10,104
Court Costs	63	63
TOTAL COLLECTIONS:	<u>17,435</u>	<u>10,167</u>
DISBURSEMENTS TO GOVERNMENTS AND NON-PROFITS:		
Louisiana Supreme Court	47	41
Capital District Law Enforcement, Traffic fines	208	114
CMIS, Traffic fines	105	57
Trauma Head & Spinal Cord Injury, Traffic fines	518	270
LA Dept of Health & Hospitals THI/SCI - Criminal fines	475	430
Louisiana Judicial College, Traffic fines	56	29
TOTAL DISBURSEMENTS	<u>1,409</u>	<u>941</u>
AMOUNTS RETAINED BY COLLECTING AGENCY:		
Town of Fordoche, Collections	5	3
AMOUNT "SELF-DISBURSED" TO COLLECTING AGENCY	<u>16,027</u>	<u>9,227</u>
TOTAL DISBURSEMENTS / RETAINAGE	<u>17,435</u>	<u>10,167</u>
TOTAL ENDING BALANCE OF AMOUNTS COLLECTED AND NOT DISBURSED	<u>\$ -</u>	<u>\$ -</u>

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

June 13, 2023

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

We have performed the procedures enumerated below on the Town of Fordoche, Louisiana (the Town) compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2022, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Town's management is responsible for its financial records and compliance with applicable laws and regulations.

The Town has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the Town's compliance with the laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2022. Additionally, the Louisiana Legislative Auditor has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Public Bid Law

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

No exceptions noted.

Code of Ethics for Public Officials and Public Employees

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

Management provided us with the requested information.

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

Management provided us with the requested information.

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

The Town Clerk's name appears on both lists. She is an employee of the Town and her mother is a council member. As of January 1, 2023, the mother of the Town Clerk was no longer a council member.

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

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

Budgeting

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

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

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

We traced adoption of the original budget to documentation in the minutes of the meeting of the Town's commissioners held on October 11, 2022. Management represented that there was an amendment to the budget documented at the commissioners meeting on November 22, 2022.

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

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues exceeded budgeted revenues. Expenditures for the year were under budgeted amounts by 7.9%; and revenues were 12% in excess of amounts budgeted for the year.

Accounting and Reporting

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

No exceptions noted.

Meetings

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

Meetings were advertised on the Town's website.

Debt

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

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

Advances and Bonuses

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

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

State Audit Law

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

The Town's report was due on June 30, 2022 and was submitted on June 24, 2022.

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

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

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

Our prior year report, dated June 14, 2022, did not include any suggestions, exceptions, recommendations, or comments.

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

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

This report is intended solely to describe the scope of testing performed on the Town's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Faulk & Winkler, LLC

Certified Public Accountants

Baton Rouge, Louisiana
June 13, 2023

**LOUISIANA COMPLIANCE QUESTIONNAIRE
(For Audit Engagements of Government Agencies)**

February 14, 2023 (Date Transmitted)

Faulk & Winkler, LLC
6811 Jefferson Highway
Baton Rouge, LA 70805

In connection with your audit of our financial statements as of 12/31/2022 and for January 1, 2022 through December 31, 2022 (period of audit) for the purpose of expressing an opinion as to the fair presentation of our financial statements in accordance with accounting principles generally accepted in the United States of America, to assess our internal control structure as a part of your audit, and to review our compliance with applicable laws and regulations, we confirm, to the best of our knowledge and belief, the following representations. These representations are based on the information available to us as of February 14, 2023 (date completed/date of the representations).

PART I. AGENCY PROFILE

1. Name and address of the organization.

Town of Fordoche
PO Box 10
Fordoche, LA 70732

2. List the population of the municipality or parish based upon the last official United States Census or most recent official census (municipalities and police juries only). Include the source of the information.

1,048 (2020 Census)

3. List names, addresses, and telephone numbers of entity officials. Include elected/appointed members of the governing board, chief executive and fiscal officer, and legal counsel.

See attached listing.

4. Period of time covered by this questionnaire.

January 1, 2022 - December 31, 2022

5. The entity has been organized under the following provisions of the Louisiana Revised Statute(s) (R.S.) and, if applicable, local resolutions/ordinances.

Lawrason Act (Incorporated 1961)

- 6. Briefly describe the public services provided.
Care, management, and control of the Town, its property and finances. Levy taxes on property and make all police regulations necessary to secure the general health and safety of the town citizens.
- 7. Expiration date of current elected/appointed officials' terms.
December 31, 2026

LEGAL COMPLIANCE

PART II. PUBLIC BID LAW

- 8. The provisions of the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration, State Purchasing Office have been complied with.
 - A) All public works purchases exceeding \$250,000 have been publicly bid.
 - B) All material and supply purchases exceeding \$30,000 have been publicly bid.
Yes [x] No [] N/A []

PART III. CODE OF ETHICS LAW FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

- 9. It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.
Yes [x] No [] N/A []
- 10. It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.
Yes [x] No [] N/A []

PART IV. LAWS AFFECTING BUDGETING

- 11. We have complied with the budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15) R.S. 39:33, or R.S. 39:1331-1342, as applicable:
 - A. Local Budget Act
 - 1. We have adopted a budget for the general fund and all special revenue funds (R.S. 39:1305).
 - 2. The chief executive officer, or equivalent, has prepared a proposed budget that included a budget message, a proposed budget for the general fund and each special revenue fund, and a budget adoption instrument that defined the authority of the chief executive and administrative officers to make budgetary amendments within various budget classifications without approval by the governing authority, as well as those powers reserved solely to the governing authority. Furthermore, the proposed expenditures did not exceed estimated funds to be available during the period (R.S. 39:1305).
 - 3. The proposed budget was submitted to the governing authority and made available for public inspection at least 15 days prior to the beginning of the budget year (R.S. 39:1306).
 - 4. To the extent that proposed expenditures were greater than \$500,000, we have made the budget available for public inspection and have advertised its availability in our official journal. The advertisement included the date, time, and place of the public hearing on the budget. Notice has also been published certifying that all actions required by the Local Government Budget Act have been completed (R.S. 39:1307).
 - 5. If required, the proposed budget was made available for public inspection at the location required by R.S. 39:1308.
 - 6. All action necessary to adopt and finalize the budget was completed prior to the date required by state law. The adopted budget contained the same information as that required for the proposed budget (R.S. 39:1309).
 - 7. After adoption, a certified copy of the budget has been retained by the chief executive officer or

equivalent officer (R.S. 39:1309).

8. To the extent that proposed expenditures were greater than \$500,000, the chief executive officer or equivalent notified the governing authority in writing during the year when actual receipts plus projected revenue collections for the year failed to meet budgeted revenues by five percent or more, or when actual expenditures plus projected expenditures to year end exceeded budgeted expenditures by five percent or more (R.S. 39:1311).

9. The governing authority has amended its budget when notified, as provided by R.S. 39:1311. (Note, general and special revenue fund budgets should be amended, regardless of the amount of expenditures in the fund, when actual receipts plus projected revenue collections for the year fail to meet budgeted revenues by five percent or more; or when actual expenditures plus projected expenditures to year end exceed budgeted expenditures by five percent or more. State law exempts from the amendment requirements special revenue funds with anticipated expenditures of \$500,000 or less, and exempts special revenue funds whose revenues are expenditure-driven - primarily federal funds-from the requirement to amend revenues.)

Yes No N/A

B. State Budget Requirements

1. The state agency has complied with the budgetary requirements of R.S. 39:33.

Yes No N/A

C. Licensing Boards

1. The licensing board has complied with the budgetary requirements of R.S. 39:1331-1342.

Yes No N/A

PART V. ACCOUNTING, AUDITING, AND FINANCIAL REPORTING LAWS

12. We have maintained our accounting records in such a manner as to provide evidence of legal compliance and the preparation of annual financial statements to comply with R.S. 24:513 and 515, and/or 33:463.

Yes No N/A

13. All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes No N/A

14. We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes No N/A

15. We have had our financial statements audited in a timely manner in accordance with R.S. 24:513.

Yes No N/A

16. We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes No N/A

17. We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes No N/A

18. We have remitted all fees, fines, and court costs collected on behalf of other entities, in compliance with applicable Louisiana Revised Statutes or other laws.

Yes No N/A

19. We have complied with R.S. 24:515.2 regarding reporting of pre- and post- adjudication court costs, fines and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed, and the amounts received from disbursements.

Yes [x] No [] N/A []

PART VI. MEETINGS

20. We have complied with the provisions of the Open Meetings Law, provided in R. S. 42:11 through 42:28.

Yes [x] No [] N/A []

PART VII. ASSET MANAGEMENT LAWS

21. We have maintained records of our fixed assets and movable property records, as required by R.S. 24:515 and/or 39:321-332, as applicable.

Yes [x] No [] N/A []

PART VIII. FISCAL AGENCY AND CASH MANAGEMENT LAWS

22. We have complied with the fiscal agency and cash management requirements of R.S. 39:1211-45 and 49:301-327, as applicable.

Yes [x] No [] N/A []

PART IX. DEBT RESTRICTION LAWS

23. It is true we have not incurred any long-term indebtedness without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes [x] No [] N/A []

24. We have complied with the debt limitation requirements of state law (R.S. 39:562).

Yes [x] No [] N/A []

25. We have complied with the reporting requirements relating to the Fiscal Review Committee of the State Bond Commission (R.S. 39:1410.62).

Yes [x] No [] N/A []

PART X. REVENUE AND EXPENDITURE RESTRICTION LAWS

26. We have restricted the collections and expenditures of revenues to those amounts authorized by Louisiana statutes, tax propositions, and budget ordinances.

Yes [x] No [] N/A []

27. It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes [x] No [] N/A []

28. It is true that no property or things of value have been loaned, pledged, or granted to anyone in violation of Article VII, Section 14 of the 1974 Louisiana Constitution.

Yes [x] No [] N/A []

PART XI. ISSUERS OF MUNICIPAL SECURITIES

29. It is true that we have complied with the requirements of R.S. 39:1438.C.

Yes [x] No [] N/A []

PART XI. QUESTIONS FOR SPECIFIC GOVERNMENTAL UNITS

Parish Governments

30. We have adopted a system of road administration that provides as follows:

- A. Approval of the governing authority of all expenditures, R.S. 48:755(A).
 - B. Development of a capital improvement program on a selective basis, R.S. 48:755.
 - C. Centralized purchasing of equipment and supplies, R.S. 48:755.
 - D. Centralized accounting, R.S. 48:755.
 - E. A construction program based on engineering plans and inspections, R.S. 48:755.
 - F. Selective maintenance program, R.S. 48:755.
 - G. Annual certification of compliance to the auditor, R.S. 48:758.
- Yes [] No [] N/A [x]

School Boards

31. We have complied with the general statutory, constitutional, and regulatory provisions of the Louisiana Department of Education, R.S. 17:51-400.
- Yes [] No [] N/A [x]

32. We have complied with the regulatory circulars issued by the Louisiana Department of Education that govern the Minimum Foundation Program.
- Yes [] No [] N/A [x]

33. We have, to the best of our knowledge, accurately compiled the performance measurement data contained in the following schedules and recognize that your agreed-upon procedures will be applied to such schedules and performance measurement data:

Parish school boards are required to report, as part of their annual financial statements, measures of performance. These performance indicators are found in the supplemental schedules:

- Schedule 1, General Fund Instructional and Support Expenditures and Certain Local Revenue Sources
- Schedule 2, Class Size Characteristics

We have also, to the best of our knowledge, accurately compiled the performance measurement data contained in the following schedules, and recognize that although the schedules will not be included in the agreed-upon procedures report, the content of the schedules will be tested and reported upon by school board auditors in the school board performance measures agreed-upon procedures report:

- Education Levels of Public School Staff
- Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers
- Public School Staff Data: Average Salaries

We understand that the content of the first two schedules will be tested and reported upon together.

Yes [] No [] N/A [x]

Tax Collectors

34. We have complied with the general statutory requirements of R.S. 47.
- Yes [] No [] N/A [x]

Sheriffs

35. We have complied with the state supplemental pay regulations of R.S. 40:1667.7.
- Yes [] No [] N/A [x]
36. We have complied with R.S. 13:5535 relating to the feeding and keeping of prisoners.
- Yes [] No [] N/A [x]

District Attorneys

37. We have complied with the regulations of the DCFS that relate to the Title IV-D Program.
- Yes [] No [] N/A [x]

Assessors

38. We have complied with the regulatory requirements found in R.S. Title 47.
- Yes [] No [] N/A [x]

39. We have complied with the regulations of the Louisiana Tax Commission relating to the reassessment of property.
Yes [] No [] N/A [x]

Clerks of Court

40. We have complied with R.S. 13:751-917 and applicable sections of R.S. 11:1501-1562.
Yes [] No [] N/A [x]

Libraries

41. We have complied with the regulations of the Louisiana State Library.
Yes [] No [] N/A [x]

Municipalities

42. Minutes are taken at all meetings of the governing authority (R.S. 42:20).
Yes [x] No [] N/A []

43. Minutes, ordinances, resolutions, budgets, and other official proceedings of the municipalities are published in the official journal (R.S. 43:141-146 and A.G. 86-528).
Yes [x] No [] N/A []

44. All official action taken by the municipality is conducted at public meetings (R.S. 42:11 to 42:28).
Yes [x] No [] N/A []

Airports

45. We have submitted our applications for funding airport construction or development to the Department of Transportation and Development as required by R.S. 2:802.
Yes [] No [] N/A [x]

46. We have adopted a system of administration that provides for approval by the department for any expenditures of funds appropriated from the Transportation Trust Fund, and no funds have been expended without department approval (R.S. 2:810).
Yes [] No [] N/A [x]

47. All project funds have been expended on the project and for no other purpose (R.S. 2:810).
Yes [] No [] N/A [x]

48. We have certified to the auditor, on an annual basis, that we have expended project funds in accordance with the standards established by law (R.S. 2:811).
Yes [] No [] N/A [x]

Ports

49. We have submitted our applications for funding port construction or development to the Department of Transportation and Development as required by R.S. 34:3452.
Yes [] No [] N/A [x]

50. We have adopted a system of administration that provides for approval by the department for any expenditures of funds made out of state and local matching funds, and no funds have been expended without department approval (R.S. 34:3460).
Yes [] No [] N/A [x]

51. All project funds have been expended on the project and for no other purpose (R.S. 34:3460).
Yes [] No [] N/A [x]

52. We have established a system of administration that provides for the development of a capital improvement program on a selective basis, centralized purchasing of equipment and supplies, centralized accounting, and the selective maintenance and construction of port facilities based upon engineering plans and inspections (R.S. 34:3460).
Yes [] No [] N/A [x]

53. We have certified to the auditor, on an annual basis, that we have expended project funds in accordance with the standards established by law (R.S. 34:3461).
Yes [] No [] N/A [x]

Sewerage Districts

54. We have complied with the statutory requirements of R.S. 33:3881-4159.10.
Yes [] No [] N/A [x]

Waterworks Districts

55. We have complied with the statutory requirements of R.S. 33:3811-3837.
Yes [] No [] N/A [x]

Utility Districts

56. We have complied with the statutory requirements of R.S. 33:4161-4546.21.
Yes [] No [] N/A [x]

Drainage and Irrigation Districts

57. We have complied with the statutory requirements of R.S. 38:1601-1707 (Drainage Districts); R.S. 38:1751-1921 (Gravity Drainage Districts); R.S. 38:1991-2048 (Levee and Drainage Districts) or R.S. 38:2101-2123 (Irrigation Districts), as appropriate.
Yes [] No [] N/A [x]

Fire Protection Districts

58. We have complied with the statutory requirements of R.S. 40:1491-1509.
Yes [] No [] N/A [x]

Other Special Districts

59. We have complied with those specific statutory requirements of state law applicable to our district.
Yes [] No [] N/A [x]

The previous responses have been made to the best of our belief and knowledge. We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you and the Legislative Auditor any known noncompliance that may occur subsequent to the issuance of your report.

<u>Lisa Carmer</u>	Secretary	<u>Feb. 14, 2023</u>	Date
<u>Lisa Carmer</u>	Treasurer	<u>Feb. 14, 2023</u>	Date
<u>Teddy P. Gao</u>	President	<u>Feb. 14, 2023</u>	Date