

**TOWN OF CAMPTI, LOUISIANA**

**ANNUAL FINANCIAL REPORT**

**JUNE 30, 2020**

Town of Campti, Louisiana  
Financial Report  
June 30, 2020

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Town of Campti, Louisiana  
Financial Report  
June 30, 2020

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# Town of Campti, Louisiana

P. O. Box 216  
Campti, LA 71411

## MANAGEMENT'S DISCUSSION AND ANALYSIS for the Year ended June 30, 2020

The Management's Discussion and Analysis of the Town of Campti's financial performance presents a narrative overview and analysis of the Town's financial activities for the year ended June 30, 2020. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the Town of Campti's financial statements, which begin on page 10.

### Government-Wide Financial Statements

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

### Fund Financial Statements

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

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

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

Summary of Statement of Net Position

	June 2020			June 2019		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>						
Current Assets	\$ 91,814	\$ 167,557	\$ 259,371	\$ 80,340	\$ 173,662	\$ 254,002
Capital Assets, Net of Accumulated Depreciation	<u>97,047</u>	<u>1,592,364</u>	<u>1,689,411</u>	<u>650,899</u>	<u>1,146,956</u>	<u>1,797,855</u>
Total Assets	<u>\$188,861</u>	<u>\$1,759,921</u>	<u>\$1,948,782</u>	<u>\$731,239</u>	<u>\$1,320,618</u>	<u>\$2,051,857</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
	<u>\$ 52,509</u>	<u>\$ 52,510</u>	<u>\$ 105,019</u>	<u>\$ 37,303</u>	<u>\$ 37,304</u>	<u>\$ 74,607</u>
<b>LIABILITIES:</b>						
Cash Overdraft	\$ 0	\$ 7,743	\$ 7,743	\$ 0	\$ 9,170	\$ 9,170
Other Liabilities	7,689	21,459	29,148	8,305	29,548	37,853
Customer Deposits	0	43,115	43,115	0	43,115	43,115
Long Term Debt	0	297,239	297,239	0	308,130	308,130
Net Pension Liability	<u>111,692</u>	<u>111,693</u>	<u>223,385</u>	<u>76,113</u>	<u>76,114</u>	<u>152,227</u>
Total Liabilities	<u>\$119,381</u>	<u>\$ 481,249</u>	<u>\$ 600,630</u>	<u>\$ 84,418</u>	<u>\$ 466,075</u>	<u>\$ 550,495</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
	<u>\$ 4,977</u>	<u>\$ 4,977</u>	<u>\$ 9,954</u>	<u>\$ 3,472</u>	<u>\$ 3,473</u>	<u>\$ 6,945</u>
<b>NET POSITION:</b>						
Net Investment in Capital Assets	\$ 97,047	\$1,295,125	\$1,392,172	\$650,899	\$ 838,827	\$1,489,726
Restricted for Debt Service	0	85,109	85,109	0	82,233	82,233
Unrestricted	<u>19,965</u>	<u>(54,029)</u>	<u>(34,064)</u>	<u>29,753</u>	<u>(32,688)</u>	<u>(2,935)</u>
Total Net Position	<u>\$117,012</u>	<u>\$1,326,205</u>	<u>\$1,443,217</u>	<u>\$680,652</u>	<u>\$ 888,372</u>	<u>\$1,569,024</u>

## Summary of Statement of Activities

	June 2020			June 2019		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
REVENUES:						
Program Revenues-						
Intergovernmental-						
Beer Tax	\$ 1,276	\$ 0	\$ 1,276	\$ 1,311	\$ 0	\$ 1,311
Grants	0	22,827	22,827	40,049	4,843	44,892
Charges for Services	4,289	277,295	281,584	7,227	282,434	289,661
General Revenues-						
Taxes	105,873	94,290	200,163	125,226	102,535	227,761
Payment in Lieu of Taxes	9,057	0	9,057	11,644	0	11,644
Licenses & Permits	63,512	0	63,512	85,412	0	85,412
Interest & Miscellaneous	11,881	101	11,982	14,177	2,327	16,504
Nonemployee						
Pension Revenue	3,366	3,366	6,732	2,260	2,260	4,520
Contributions from						
Other Funds	0	546,877	546,877			
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>18,000</u>	<u>18,000</u>
Total Revenues	\$ <u>199,254</u>	\$ <u>944,756</u>	\$ <u>1,144,010</u>	\$ <u>287,306</u>	\$ <u>412,399</u>	\$ <u>699,705</u>
EXPENSES:						
General Government	\$740,106	\$ 0	\$ 740,106	\$215,017	\$ 0	\$215,017
Public Safety	12,911	0	12,911	19,889	0	19,889
Operating Expense	0	506,924	506,924	0	505,111	505,111
Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>18,000</u>	<u>0</u>	<u>18,000</u>
Total Expenses	\$ <u>753,017</u>	\$ <u>506,924</u>	\$ <u>1,259,941</u>	\$ <u>252,906</u>	\$ <u>505,111</u>	\$ <u>758,017</u>
Change in Net Position	\$ <u>(553,763)</u>	\$ <u>437,832</u>	\$ <u>(115,931)</u>	\$ <u>34,400</u>	\$ <u>(92,712)</u>	\$ <u>(58,312)</u>

*Governmental Activities*

- The Town's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$117,012 for the year ending June 30, 2020. This is a decrease of \$553,763 from the prior year.

*Business Type Activities*

- The Proprietary Fund, the water system, had an increase in net position of \$437,832 for the year ending June 30, 2020. This compares to a decrease of \$92,712 for the prior year.

Debt Administration

At the end of the current fiscal year, the Town of Campti had total long-term debt of \$563,739. Long-term liabilities of the Town include customer deposits and the net pension liability based on actuarially determined amounts in accordance with GASB No. 68.

**Outstanding Debt at Year End  
As of June 30, 2020**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net Pension Liability	\$111,692	\$111,693	\$223,385
Customer Deposits	0	43,115	43,115
Revenue Bonds Payable	<u>0</u>	<u>297,239</u>	<u>297,239</u>
Total	<u>\$111,692</u>	<u>\$452,047</u>	<u>\$563,739</u>

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

General Fund Budgetary Highlights

Actual revenues and other financing sources for the year were \$20,911 more than the budgeted revenues and actual expenditures were \$37,401 less than the budgeted expenditures.

Economic Factors and Next Year's Budget

The budget for 2019/2020 General Fund should not change significantly from the 2020/2021 budget.

Contacting the Town

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

**T | C | B | T**  
**THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER**  
*Certified Public Accountants*

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**INDEPENDENT AUDITORS' REPORT**

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, business-type activities, and major funds of the Town of Campti (Town) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

**Management's 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.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and major funds of the Town as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 through 4 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The schedule of employer's share of net pension liability, schedule of employer contributions, budgetary comparison schedule and the schedule of compensation, benefits and other payments to agency head or chief executive officer, listed as other required supplementary information in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of employer's share of net pension liability, schedule of employer contributions, budgetary comparison schedule and schedule of compensation, benefits and other payments to agency head or chief executive officer are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of employer's share of net pension liability, schedule of employer contributions, budgetary comparison schedules and schedule of compensation, benefits and other payments to agency head or chief executive officer are fairly stated in all material respects in relation to the basic financial statements as a whole.

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2020, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

*Thomas, Cunningham, Broadway & Todtenbier, CPA's*

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

December 15, 2020

## BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS

Town of Campti, Louisiana  
Government-Wide Statement of Net Position  
June 30, 2020

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
ASSETS:			
Cash & Cash Equivalents	\$ 69,298	\$ 46,614	\$ 115,912
Revenue Receivable	9,323	35,834	45,157
Due from Other Funds	13,193	0	13,193
Restricted Assets-			
Cash & Cash Equivalents	0	85,109	85,109
Capital Assets, Net of			
Accumulated Depreciation	<u>97,047</u>	<u>1,592,364</u>	<u>1,689,411</u>
Total Assets	<u>\$188,861</u>	<u>\$1,759,921</u>	<u>\$1,948,782</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 52,509</u>	<u>\$ 52,510</u>	<u>\$ 105,019</u>
LIABILITIES:			
Cash Overdraft	\$ 0	\$ 7,743	\$ 7,743
Accounts Payable	2,385	500	2,885
Accrued Expenses	5,304	7,766	13,070
Due to Other Funds	0	13,193	13,193
Customer Deposits	0	43,115	43,115
Long-Term Debt-			
Current Portion	0	11,434	11,434
Long-Term Portion	0	285,805	285,805
Net Pension Liability	<u>111,692</u>	<u>111,693</u>	<u>223,385</u>
Total Liabilities	<u>\$119,381</u>	<u>\$ 481,249</u>	<u>\$ 600,630</u>
DEFERRED INFLOWS OF RESOURCES	<u>\$ 4,977</u>	<u>\$ 4,977</u>	<u>\$ 9,954</u>
NET POSITION:			
Net Investment in Capital Assets	\$ 97,047	\$1,295,125	\$1,392,172
Restricted for Debt Service	0	85,109	85,109
Unrestricted	<u>19,965</u>	<u>(54,029)</u>	<u>(34,064)</u>
Total Net Position	<u>\$117,012</u>	<u>\$1,326,205</u>	<u>\$1,443,217</u>

See independent auditors' report and notes to financial statements.

Town of Campti, Louisiana  
Government-Wide Statement of Activities  
June 30, 2020

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Fees, Fines and Charges for Services</u>	<u>Capital Grants</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental Activities:						
General Government	\$ 740,106	\$ 2,501	\$ 0	\$(737,605)	\$ 0	\$ (737,605)
Public Safety	<u>12,911</u>	<u>3,064</u>	<u>0</u>	<u>(9,847)</u>	<u>0</u>	<u>(9,847)</u>
Total Governmental Activities	\$ 753,017	\$ 5,565	\$ 0	\$(747,452)	\$ 0	\$ (747,452)
Business-Type Activities:						
Water/Sewer	<u>506,924</u>	<u>277,295</u>	<u>22,827</u>	<u>0</u>	<u>(206,802)</u>	<u>(206,802)</u>
Total Government	<u>\$1,259,941</u>	<u>\$282,860</u>	<u>\$22,827</u>	<u>\$(747,452)</u>	<u>\$ (206,802)</u>	<u>\$ (954,254)</u>
General Revenues:						
Taxes-						
Ad Valorem				\$ 15,923	\$ 0	\$ 15,923
Payment In Lieu of Tax				9,057	0	9,057
Sales Tax				89,950	94,290	184,240
Licenses & Permits				63,512	0	63,512
Interest & Miscellaneous				11,881	101	11,982
Nonemployer Pension Revenue				3,366	3,366	6,732
Contributions from Other Funds				<u>0</u>	<u>546,877</u>	<u>546,877</u>
Total General Revenues and Transfers				<u>\$ 193,689</u>	<u>\$ 644,634</u>	<u>\$ 838,323</u>
Change in Net Position				\$(553,763)	\$ 437,832	\$ (115,931)
Net Position-Beginning of Year (Restated, see Note 14)				<u>670,775</u>	<u>888,373</u>	<u>1,559,148</u>
Net Position-End of Year				<u>\$ 117,012</u>	<u>\$1,326,205</u>	<u>\$1,443,217</u>

See independent auditors' report and notes to financial statements.

FUND FINANCIAL STATEMENTS

Town of Campti, Louisiana  
Balance Sheet-Governmental Funds  
June 30, 2020

	General Fund
ASSETS:	
Cash & Cash Equivalents	\$69,298
Revenue Receivable	9,323
Due from Utility Fund	<u>13,193</u>
Total Assets	<u>\$91,814</u>
LIABILITIES:	
Accounts Payable	\$ 2,385
Accrued Expenses	<u>5,304</u>
Total Liabilities	<u>\$ 7,689</u>
FUND BALANCE:	
Unassigned	<u>\$84,125</u>
Total Liabilities and Fund Balance	<u>\$91,814</u>

See independent auditors' report and notes to financial statements.



Town of Campti, Louisiana  
Reconciliation of the Governmental Funds  
Balance Sheet to the Statement of Net Position  
June 30, 2020

Total Fund Balance of the Governmental Funds \$ 84,125

Amounts reported for Governmental Activities  
in the Statement of Net Position are different because:

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

Capital Assets (Net)	97,047
Deferred Outflows	52,509

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

Net Pension Liability	(111,692)
Deferred Inflows of Resources	<u>(4,977)</u>

Net Position of Governmental Activities \$ 117,012

Town of Campti, Louisiana  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Governmental Funds  
Year Ended June 30, 2020

	General <u>Fund</u>
REVENUES:	
Taxes-	
Ad Valorem	\$ 15,923
Sales Tax	89,950
Payment in Lieu of Tax	9,057
Licenses & Permits	63,512
Intergovernmental-	
Beer Tax	1,276
Charges for Services-	
Fines & Forfeits	3,064
Rent	1,225
Interest & Miscellaneous	<u>11,881</u>
Total Revenues	<u>\$195,888</u>
EXPENDITURES:	
General Government	\$161,011
Public Safety	<u>12,911</u>
Total Expenditures	<u>\$173,922</u>
Excess of Revenues over Expenditures	<u>\$ 21,966</u>
OTHER FINANCING SOURCES USES:	
Transfer In	\$ 28,500
Transfer Out	<u>(28,500)</u>
Total Other Financing	<u>\$ 0</u>
Excess of Revenues and Other Sources over Expenditures	\$ 21,966
Fund Balance-Beginning of Year (Restated, see Note 15)	<u>62,159</u>
Fund Balance-End of Year	<u>\$ 84,125</u>

See independent auditors' report and notes to financial statements.

Town of Campti, Louisiana  
Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balance of the Governmental Funds  
to the Statement of Activities  
for the Year Ended June 30, 2020

Net Change in Fund Balances-Governmental Funds \$21,966

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

Some revenues reported in the Statement of Activities do not provide current financial resources and these are not reported as revenues in governmental funds. Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These timing differences are summarized below:

Depreciation Expenses	(6,975)
Pension Expenses	(25,243)
Proportionate Share of Nonemployer Contributions	3,366
Contribution to Other Fund	<u>(546,877)</u>

Change in Net Position of Governmental Activities \$(553,763)

Town of Campti, Louisiana  
Statement of Net Position  
Proprietary Fund-Water & Sewer Fund  
Year Ended June 30, 2020

ASSETS:	
Current Assets-	
Cash & Cash Equivalents	\$ 46,614
Revenue Receivable	<u>35,834</u>
Total Current Assets	\$ <u>82,448</u>
Restricted Assets-	
Cash & Cash Equivalents	\$ <u>85,109</u>
Capital Assets, Net of Accumulated Depreciation	<u>\$1,592,364</u>
Total Assets	<u>\$1,759,921</u>
DEFERRED OUTFLOWS OF RESOURCES	\$ <u>52,510</u>
LIABILITIES:	
Current Liabilities-	
Cash Overdraft	\$ 7,743
Accounts Payable	500
Accrued Expenses	7,766
Due to General Fund	<u>13,193</u>
Total Current Liabilities	\$ <u>29,202</u>
Current Liabilities Payable from Restricted Assets-	
Customer Deposits	\$ 43,115
Current Portion of Long-Term Debt	<u>11,434</u>
Total Current Liabilities Payable from Restricted Assets	\$ <u>54,549</u>
Non-Current Liabilities-	
Long-Term Debt	\$ 285,805
Net Pension Liability	<u>111,693</u>
Total Non-Current Liabilities	\$ <u>397,498</u>
Total Liabilities	\$ <u>481,249</u>
DEFERRED INFLOWS OF RESOURCES	\$ <u>4,977</u>
NET POSITION:	
Net Investment in Capital Assets	\$1,295,125
Restricted for Debt Service	85,109
Unrestricted	<u>(54,029)</u>
Total Net Position	<u>\$1,326,205</u>

See independent auditors' report and notes to financial statements.

Town of Campti, Louisiana  
Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Fund-Water & Sewer Fund  
Year Ended June 30, 2020

OPERATING REVENUES:	
Charges for Services-	
Water/Sewer	\$ 254,504
Connection Fees	2,026
Meter Deposits	2,900
Miscellaneous	<u>17,865</u>
Total Operating Revenues	<u>\$ 277,295</u>
OPERATING EXPENSES:	
Depreciation	\$ 101,468
Insurance	22,682
Operations, Maintenance & Repairs	111,666
Office Supplies, Postage & Printing	23,113
Salaries & Related Benefits	176,600
Utilities & Telephone	<u>30,796</u>
Total Operating Expenses	<u>\$ 466,325</u>
Loss from Operations	<u>\$ (189,030)</u>
NON-OPERATING REVENUES (EXPENSES):	
Sales Tax 1%	\$ 94,290
Grant Income	22,827
Grant Expense	(22,827)
Interest Income	101
Interest Expense	(17,772)
Nonemployer Pension Revenue	3,366
Contributions from Other Funds	<u>546,877</u>
Total Non-operating Revenues (Expenses)	<u>\$ 626,862</u>
Net Income Before Transfers	<u>\$ 437,832</u>
TRANSFERS:	
Transfers Out	\$ (118,972)
Transfers In	<u>118,972</u>
Total Transfers	<u>\$ 0</u>
Change in Net Position	\$ 437,832
Net Position-Beginning of Year	<u>888,373</u>
Net Position-End of Year	<u>\$1,326,205</u>

See independent auditors' report and notes to financial statements.

Town of Campti, Louisiana  
Statement of Cash Flows  
Proprietary Fund-Water & Sewer Fund  
Year Ended June 30, 2020

Cash Flows from Operating Activities:	
Cash Received from Customers	\$ 277,829
Cash Payments to Employees	(153,241)
Cash Payments to Suppliers for Goods & Services	<u>(194,462)</u>
Net Cash Used by Operating Activities	\$ <u>(69,874)</u>
Cash Flows from Non-Capital & Related Financing Activities:	
Sales Tax Revenue	\$ <u>94,290</u>
Cash Flows from Capital & Related Financing Activities:	
Principal Paid on Capital Debt	\$ (10,890)
Interest Paid on Capital Debt	<u>(17,772)</u>
Net Cash Used by Capital & Related Financing Activities	\$ <u>(28,662)</u>
Cash Flows from Investing Activities:	
Interest Income	\$ <u>101</u>
Net Decrease in Cash & Cash Equivalents	\$ (4,145)
Cash & Cash Equivalents-Beginning of Year	<u>128,125</u>
Cash & Cash Equivalents-End of Year	\$ <u>123,980</u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:	
Operating Loss	\$ <u>(189,030)</u>
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation	\$ 101,468
Changes in Assets & Liabilities:	
(Increase) Decrease in Accounts Receivable	533
Increase (Decrease) in Accounts Payable	(6,203)
Increase (Decrease) in Accrued Expense	<u>23,358</u>
Total Adjustments	\$ <u>119,156</u>
Net Cash Used by Operating Activities	\$ <u>(69,874)</u>
Reconciliation of Cash & Cash Equivalents at Year End:	
Cash & Cash Equivalents	\$ 46,614
Cash Overdraft	(7,743)
Restricted Cash	<u>85,109</u>
	\$ <u>123,980</u>

See independent auditors' report and notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Town of Campti, Louisiana  
Notes to Financial Statements  
June 30, 2020

Introduction:

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

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

1. Summary of Significant Accounting Policies:

A. REPORTING ENTITY-

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

B. BASIS OF PRESENTATION-

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

Government-Wide Financial Statements (GWFS)

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

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



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

C. FUND ACCOUNTING-

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

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

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

The Town considers all funds to be major.

Governmental Fund -

General Fund

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

Town of Campti, Louisiana  
Notes to Financial Statements  
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Proprietary Fund-

Enterprise Fund

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

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING-

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

Accrual Basis - Government-Wide Financial Statements (GWFS)

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

Modified Accrual Basis - Fund Financial Statements (FFS)

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

Town of Campti, Louisiana  
Notes to Financial Statements  
June 30, 2020

E. CASH AND INTEREST-BEARING DEPOSITS-

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts and savings accounts of the Town.

F. CAPITAL ASSETS-

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

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

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

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

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

G. RESTRICTED ASSETS-

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

H. COMPENSATED ABSENCES-

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

Town of Campti, Louisiana  
Notes to Financial Statements  
June 30, 2020

I. EQUITY CLASSIFICATIONS-

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

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

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

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

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

Town of Campti, Louisiana  
Notes to Financial Statements  
June 30, 2020

The General Fund has an unassigned fund balance of \$84,125. The Town establishes, modifies/ rescinds fund balance assignments by passage of a resolution. The Town would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

J. OPERATING REVENUES AND EXPENSES-

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

K. EXPENDITURES/EXPENSES-

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

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

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

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

L. BUDGET AND BUDGETARY ACCOUNTING-

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

M. LONG-TERM OBLIGATIONS-

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

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

N. ESTIMATES-

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

Town of Campti, Louisiana  
Notes to Financial Statements  
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O. PENSIONS-

For purposes of measuring the Net Pension Liability, Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. See note 9, for more information on the individual retirement systems.

P. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES-

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

2. Ad Valorem Taxes:

The Town levies taxes on real and business personal property located within the boundaries of the Town. Property taxes are levied by the Town on property values assessed by the Natchitoches Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

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

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

For the year ended June 30, 2020, taxes of 4.69 mills were levied.

Total taxes collected were \$15,923 for 2020, and no provision for uncollectibles is made.

3. Cash and Cash Equivalents:

Bank account balances at June 30, 2020 totaled \$193,278 and were fully secured by FDIC insurance.

Town of Campti, Louisiana  
Notes to Financial Statements  
June 30, 2020

4. Restricted Assets - Proprietary Fund Type:

Restricted assets of the Utility Fund were applicable to the following at June 30, 2020:

Bond Sinking Fund	\$ 4,968
Bond Contingency Account	25,808
Customer Deposits Account	34,067
Bond Reserve Account	<u>20,266</u>
 Total Restricted Cash	 <u>\$85,109</u>

5. Receivables:

The following is a summary of receivables at June 30, 2020:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Proprietary Fund</u>
Charges for Services	\$ 0	\$16,635
Sales Tax	<u>9,323</u>	<u>19,199</u>
 Total	 <u>\$ 9,323</u>	 <u>\$35,834</u>

6. Capital Assets:

Capital assets and depreciation activity for the year ended June 30, 2020, are as follows:

<u>Governmental Activities</u>	<u>Balance 07-01-19</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06-30-20</u>
Capital Assets, Not Depreciated				
Land	\$ 43,750	\$ 0	\$ 0	\$ 43,750
Construction in Progress	<u>546,877</u>	<u>0</u>	<u>546,877</u>	<u>0</u>
Total Capital Assets, Not depreciated	<u>\$ 590,627</u>	<u>\$ 0</u>	<u>\$546,877</u>	<u>\$ 43,750</u>
Capital Assets, Depreciated				
Buildings & Improvements	\$ 110,098	\$ 0	\$ 0	\$ 110,098
Furniture, Fixtures & Equipment	63,746	0	0	63,746
Vehicles	<u>61,964</u>	<u>0</u>	<u>0</u>	<u>61,964</u>
Total Capital Assets, Depreciated	<u>\$ 235,808</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 235,808</u>
 Total Assets	 <u>\$ 826,435</u>	 <u>\$ 0</u>	 <u>\$546,877</u>	 <u>\$ 279,558</u>
Accumulated Depreciation:				
Building & Improvements	\$ 63,312	\$ 5,602	\$ 0	\$ 68,914
Furniture, Fixtures & Equipment	54,902	150	0	55,052
Vehicles	<u>57,322</u>	<u>1,223</u>	<u>0</u>	<u>58,545</u>
Total Accumulated Depreciation	<u>\$ 175,536</u>	<u>\$ 6,975</u>	<u>\$ 0</u>	<u>\$ 182,511</u>
 Net Capital Assets	 <u>\$ 650,899</u>	 <u>\$ (6,975)</u>	 <u>\$546,877</u>	 <u>\$ 97,047</u>

Town of Campti, Louisiana  
Notes to Financial Statements  
June 30, 2020

Business-Type Activities	Balance 07-01-19	Additions	Balance Deletions	06-30-20
Capital Assets, Not Depreciated				
Land	\$ <u>2,690</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>2,690</u>
Capital Assets, Depreciated				
Buildings	\$ 32,815	\$ 0	\$ 0	\$ 32,815
Water/Sewer System '08	3,215,054	0	0	3,215,054
Water/Sewer System '09	89,914	0	0	89,914
Vehicles	17,557	0	0	17,557
Machinery & Equipment	129,770	0	0	129,770
Water Improvements '20	<u>0</u>	<u>546,877</u>	<u>0</u>	<u>546,877</u>
Total Capital Assets, Depreciated	<u>\$3,485,110</u>	<u>\$546,877</u>	<u>\$ 0</u>	<u>\$4,031,987</u>
Total Assets	<u>\$3,487,800</u>	<u>\$546,877</u>	<u>\$ 0</u>	<u>\$4,034,677</u>
Accumulated Depreciation:				
Buildings	\$ 32,815	\$ 0	\$ 0	\$ 32,815
Water/Sewer System '08	2,160,222	80,376	0	2,240,598
Water/Sewer System '09	24,730	2,248	0	26,978
Vehicles	4,071	1,373	0	5,444
Machinery & Equipment	119,007	3,799	0	122,806
Water Improvements '20	<u>0</u>	<u>13,672</u>	<u>0</u>	<u>13,672</u>
Total Accumulated Depreciation	<u>\$2,340,845</u>	<u>\$101,468</u>	<u>\$ 0</u>	<u>\$2,442,313</u>
Net Capital Assets	<u>\$1,146,955</u>	<u>\$445,409</u>	<u>\$ 0</u>	<u>\$1,592,364</u>

Depreciation expense of \$6,975 was charged to the General Fund.

Depreciation expense of \$101,468 was charged to the Water/Sewer Fund.

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

The following is a summary of business-type long-term debt of the Town of Campti, Louisiana, for the year ended June 30, 2020:

Business-Type Activities Bond Payable	
Balance at June 30, 2019	\$308,129
Debt Retired	<u>10,890</u>
Balance at June 30, 2020	<u>\$297,239</u>
<u>Revenue Bonds</u> -\$448,000 Water Revenue Bonds, dated September 16, 1997, due in monthly installments of \$2,141, interest 4.673%, secured by revenues earned by the Town from the operation of the water system.	\$297,239
Less, Current Maturities	<u>(11,434)</u>
Long-Term Debt, Net of Current Maturities	<u>\$285,805</u>



Town of Campti, Louisiana  
Notes to Financial Statements  
June 30, 2020

The annual debt service requirements to maturity for all debt outstanding as of June 30, 2020, are as follows:

Year Ending <u>June 30</u>	<u>Business-Type Activities Bond</u>	
	<u>Principal</u>	<u>Interest</u>
2021	11,434	14,264
2022	12,005	13,692
2023	12,605	13,093
2024	13,234	12,463
2025-2030	94,501	59,683
2031-2035	102,850	25,636
2036-2037	<u>50,511</u>	<u>2,711</u>
Totals	<u>\$297,139</u>	<u>\$129,242</u>

8. Pension Plan:

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

*Plan Description*

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

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

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

Town of Campti, Louisiana  
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*Benefits Provided*

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

**Retirement**

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

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

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

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

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

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

Town of Campti, Louisiana  
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### Survivor's Benefits

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

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

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

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

### Deferred Retirement Option Plan (DROP)

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

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

Town of Campti, Louisiana  
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### **Disability Benefits**

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

### **Cost-of-Living Increases**

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

### **Deferred Benefits**

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

### *Contributions*

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

According to state statute, contribution for all employers are actuarially determined each year. For the year ending June 30, 2020, the employer contribution rate was 11% of member's earnings for Plan B.

According to state statute, MERS also receives one-fourth (1/4) of 1% of ad valorem taxes collected within the respective parishes except for Orleans. Tax monies are apportioned to salaries of plan participants. MERS also receives revenue sharing funds each year as appropriated by the Legislature. These additional sources of income are used as additional employer contributions and considered support from non-employer contributing entities, but are not considered special funding situations. This non-employer contribution is \$3,366.

Town of Campti, Louisiana  
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Administrative costs of MERS are financed through employer contributions.

Contributions to the pension plan from the Town were \$27,329 for the year ended June 30, 2020.

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

At June 30, 2020, the Town reported a liability of \$223,384 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2020 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Town's proportion of the Net Pension Liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the Town's proportion was .179973%, which was an increase of .000955% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the Town recognized pension expense of \$50,485 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions of \$6,732.

At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$9,909
Changes in assumption	13,617	0
Net difference between projected and actual earnings on pension plan investments	23,529	0
Changes in employer's proportion of beginning net pension liability	43,330	0
Differences between employer contributions and proportionate share of employer contributions	10	44
Subsequent Measurement Contributions	24,533	0
Total	\$105,109	\$9,953

The deferred outflows of resources related to pensions resulting from the Town contributions subsequent to the measurement date in the amount of \$27,329, will be recognized as a reduction of the Net Pension Liabilities in the year of June 30, 2020. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended June 30:	
2020	\$39,948
2021	25,398
2022	3,133
2023	2,044
Total	\$70,523

Town of Campti, Louisiana  
Notes to Financial Statements  
June 30, 2020

*Actuarial Assumptions*

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2020 is as follows:

Valuation Date:	June 30, 2020
Actuarial Cost Method:	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	Plan B – 4 years
Investment Rate of Return:	7.40% net of investment expense
Mortality:	RP-2000 Employees Sex Distinct Table set back for 2 years was selected for active members. RP-2000 Healthy Annuitant Sex Distinct Mortality Tables set forward 2 years for males and 1 year for females projected to 2028 using scale AA was selected for healthy annuitants. RP-2000 Disabled Lives Mortality Table set back 5 years for males and 3 years for females was selected for disabled annuitants.
	Experience study performed on plan data for the period July 1, 2009 through June 30, 2014
Salary Increases:	5% (2.225% Merit/2.775% Inflation)

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

Town of Campti, Louisiana  
Notes to Financial Statements  
June 30, 2020

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, 2020 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Public Equity	50%	2.30%
Public Fixed Income	35%	1.60%
Alternatives	15%	0.70%
Total	100%	4.60%
Inflation		2.60%
Expected Arithmetic Nominal Return		7.20%

The discount rate used to measure the total pension liability was 7.4% for Plan B. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, MERS's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Town's proportionate share of the Net Pension Liability using the discount rate of 5.75%, as well as what the Town's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (7.275%) or one percentage-point higher (7.75%) than the current rate:

	1.0% Decrease (5.75%)	Current Discount Rate (7.75%)	1.0% Increase (7.75%)
Employer's proportionate share of net pension liability	\$297,714	\$223,384	\$160,552

*Pension Plan Fiduciary Net Position*

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

*Payables to the Pension Plan*

These financial statements include a payable to the pension plan of \$2,711, which is the legally required contribution due at June 30, 2020. This amount is recorded in accrued expenses.

Town of Campti, Louisiana  
Notes to Financial Statements  
June 30, 2020

9. Litigation:

At June 30, 2020, the Town was not involved in any civil suits.

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

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

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

11. Compensation Paid to the Council Members:

A detail of compensation paid to individual council members for the year ended June 30, 2020 follows:

Bence Nicholas	\$1,100
Sarah Reliford	1,100
Theresa Anslem	1,100
Gloria Davis	1,100
Mary Collins	<u>600</u>
Total	<u>\$5,000</u>

12. Subsequent Events:

Management has evaluated events through December 15, 2020, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

13. Contingencies:

On March 13, 2020, President Trump declared a national emergency relating to the COVID-19 virus. As of the date of this report, the pandemic is ongoing; however, the Town is closely monitoring the financial statements for future impacts.



Town of Campti, Louisiana  
Notes to Financial Statements  
June 30, 2020

14. Restatement of Prior Period Fund Balance:

For the year ended June 30, 2019, sales was overstated in the general fund. The net effect of the misstatement was a decrease of \$9,854 to the beginning fund balance at July 1, 2019, which resulted in total fund balance at June 30, 2019 of \$62,159 instead of \$72,013, as previously reported.

OTHER REQUIRED  
SUPPLEMENTARY INFORMATION

Town of Campti, Louisiana  
Schedule of Employer's Share of Net Pension Liability  
For the Year Ended June 30, 2020

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

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

Changes of Assumptions:

The valuation implements the changes in various demographic assumptions that result from the recent experience study and were recommended by the System's actuary and adopted by the retirement board. The valuation lowers the inflation assumption to 2.20% from 2.60% and the investment return assumption to 6.40% from 7.275%. The valuation recognizes the expected costs of the System's future gain-sharing cost-of-living (COLA) benefits.

Town of Campti, Louisiana  
Schedule of Employer Contributions  
For the Year Ended June 30, 2020

<u>Year</u>	<u>Contractually Required Contributions</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
2015	\$ 8,255	\$ 8,255	\$0	\$ 99,296	8.3%
2016	\$ 9,346	\$ 9,346	\$0	\$ 98,378	9.5%
2017	\$ 13,916	\$ 13,916	\$0	\$126,506	11.0%
2018	\$ 17,672	\$ 17,672	\$0	\$133,373	13.2%
2019	\$ 27,329	\$ 27,329	\$0	\$195,208	14.0%
2020	\$160,702	\$160,702	\$0	\$177,981	90.3%

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

Changes of Assumptions:

The valuation implements the changes in various demographic assumptions that result from the recent experience study and were recommended by the System's actuary and adopted by the retirement board. The valuation lowers the inflation assumption to 2.20% from 2.60% and the investment return assumption to 6.40% from 7.275%. The valuation recognizes the expected costs of the System's future gain-sharing cost-of-living (COLA) benefits.

Town of Campti, Louisiana  
Schedule of Compensation, Benefits and Other Payments to  
Agency Head or Chief Executive Officer  
For the Year Ended June 30, 2020

Agency Head Name: Roland Smith, Mayor

<u>Purpose</u>	<u>Roland Smith</u>
Salary	\$12,000
Benefits-Retirement	<u>918</u>
Total	<u>\$12,918</u>

See independent auditors' report.

Town of Campti, Louisiana  
Budgetary Comparison Schedule  
General Fund  
For the Year Ended June 30, 2020

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES:				
Taxes-				
Ad Valorem	\$ 13,000	\$ 15,000	\$ 15,923	\$ 923
Sales Tax	71,000	80,000	89,950	9,950
Payment in Lieu of Taxes	16,000	9,000	9,057	57
Licenses & Permits	61,600	54,600	63,512	8,912
Intergovernmental-				
Beer Tax	1,800	1,800	1,276	(524)
Charges for Services-				
Fines & Forfeits	26,000	5,200	3,064	(2,136)
Rent	1,000	1,000	1,225	225
Interest & Miscellaneous	6,200	8,377	11,881	3,504
Total Revenues	<u>\$196,600</u>	<u>\$174,977</u>	<u>\$195,888</u>	<u>\$20,911</u>
EXPENDITURES:				
General Government	\$186,446	\$182,734	\$161,011	\$21,723
Public Safety	<u>35,154</u>	<u>28,589</u>	<u>12,911</u>	<u>15,678</u>
Total Expenditures	<u>\$221,600</u>	<u>\$211,323</u>	<u>\$173,922</u>	<u>\$37,401</u>
Excess (Deficiency) of Revenues over Expenditures	\$ (25,000)	\$ (36,346)	\$ 21,966	\$58,312
OTHER FINANCING SOURCES USES:				
Transfers In	\$ 25,500	\$ 28,500	\$ 28,500	\$ 0
Transfer Out	<u>0</u>	<u>(28,500)</u>	<u>(28,500)</u>	<u>0</u>
Total Other Financing	<u>\$ 25,500</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures	\$ 500	\$ (36,346)	\$ 21,966	\$58,312
Fund Balance-Beginning of Year	<u>62,159</u>	<u>62,159</u>	<u>62,159</u>	<u>0</u>
Fund Balance-End of Year	<u>\$ 62,659</u>	<u>\$ 25,813</u>	<u>\$ 84,125</u>	<u>\$58,312</u>

See independent auditors' report and notes to the financial statements.

OTHER REPORTS/SCHEDULES

**T | C | B | T**  
**THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER**  
*Certified Public Accountants*

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation  
Roger M. Cunningham, CPA – A Professional Corporation  
Jessica H. Broadway, CPA – A Professional Corporation  
Ryan E. Todtenbier, CPA – A Professional Corporation

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities, business-type activities, and major funds of the Town of Campti (Town) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated December 15, 2020.

### **Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control described in the accompanying Schedule of Audit Findings that we consider to be a significant deficiency as *Item 2020-001*.



## **Compliance and Other Matters**

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

## **Town of Campti's Response to Finding**

The Town's response to the finding identified in our audit is described in the accompanying Schedule of Audit Findings. The Town's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 25:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*Thomas, Cunningham, Broadway & Todtenbier, CPA's*

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

December 15, 2020

Town of Campti, Louisiana  
Schedule of Audit Findings  
Year Ended June 30, 2020

I. SUMMARY OF AUDIT RESULTS

The following summarize the audit results:

1. An unmodified opinion was issued on the basic financial statements of the Town of Campti as of and for the year ended June 30, 2020.
2. The audit disclosed one significant deficiency in internal control, and this deficiency was not determined to be a material weakness.
3. The audit disclosed of no instances of noncompliance that is required to be reported under *Government Auditing Standards*.

II. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

Internal Control-

*2020-001 Segregation of Duties*

*Criteria* - Proper internal controls dictate that duties be segregated so that no one individual performs or controls all duties related to the accounting system.

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

*Effect* - Intentional or unintentional errors could be made and not detected within the accounting system.

*Cause* - The Town's office does not have a sufficient number of employees to adequately separate accounting duties or to prepare the Town's annual financial statements with related note disclosures.

*Recommendation* - To the extent cost effective, duties should be segregated and management should attempt to mitigate this weakness by supervision and review procedures.

*Management's Response* - It is not economically feasible to add a sufficient number of employees to adequately segregate accounting duties. In addition, we have evaluated the cost/benefit of establishing a system to prepare our annual financial statements and have determined that it is in the best interest of the Town to have our independent auditors prepare our financial statements. We understand that we should review the financial statements and notes and accept responsibility for their contents and presentation.

Town of Campti, Louisiana  
Schedule of Audit Findings (continued)  
Year Ended June 30, 2020

III. PRIOR YEAR AUDIT FINDINGS

Internal Control-

*2019-001 Segregation of Duties*

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

*Status* - Repeat finding, see finding 2020-001.

Compliance-

*2019-002 Local Government Budget Act*

*Condition* - For the year ended June 30, 2019, in the General Fund, actual expenditures were more than budgeted expenditures by more than the 5% variance allowed and the budget was not amended.

*Status* - This finding is cleared as of June 30, 2020.