

**TOWN OF KROTZ SPRINGS
KROTZ SPRINGS, LOUISIANA**

**Financial Report
Year Ended June 30, 2021**

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INDEPENDENT AUDITORS' REPORT

The Honorable Carroll Snyder, Mayor
and Members of the Board of Aldermen/Alderwomen
Krotz Springs, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Town of Krotz Springs, Louisiana, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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.

Auditors' 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. 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 auditors' 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, the business-type activities, and each major fund of the Town of Krotz Springs, Louisiana, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules, schedule of employer's share of net pension liability, schedule of employer contributions, and notes to the required supplementary information on pages 38-42 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Town of Krotz Springs, Louisiana has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, 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. Our opinion on the basic financial statements is not affected by the missing information.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Krotz Springs, Louisiana's basic financial statements. The General Fund Detailed Schedule of Revenues & Expenditures-Budget (GAAP Basis) and Actual, Enterprise Funds-Schedule of Operating Expenses, Combined Schedule of Investments, Schedule of Insurance in Force, Schedule of Compensation Paid to Governing Body, Schedule of Compensation, Benefits, and Other Payments to Agency head or Chief Executive Officer are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Justice System Funding Reporting Schedule (reporting schedules) were created by Act 87 of the Louisiana 2020 Regular Legislative Session. These reporting schedules are presented for purposes of additional analysis and are also not a required part of the basic financial statements.

The General Fund Detailed Schedule of Revenues & Expenditures-Budget (GAAP Basis) and Actual, Enterprise Funds-Schedule of Operating Expenses, Combined Schedule of Investments, Schedule of Compensation

Paid to Governing Body, and reporting schedules are the responsibility of management and were derived from and related 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 General Fund Detailed Schedule of Revenues & Expenditures-Budget (GAAP Basis), Enterprise Funds-Schedule of Operating Expenses, Combined Schedule of Investments, Schedule of Compensation Paid to Governing Body, and reporting schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The schedule of insurance in force and the schedule of compensation, benefits, and other payments to agency head or chief executive officer have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2021, on our consideration of the Town of Krotz Springs, Louisiana'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 of Krotz Springs, Louisiana's internal control over financial reporting and compliance.

Champagne & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
November 26, 2021

FINANCIAL SECTION

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

TOWN OF KROTZ SPRINGS, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2021

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 2,116,943	\$ 1,453,528	\$ 3,570,471
Investments	746,804	1,242,844	1,989,648
Receivables, (net of allowance for uncollectibles)	34,746	88,426	123,172
Due from other governments	29,056	5,565	34,621
Internal balances	(28,103)	28,103	-
Restricted assets	-	106,732	106,732
Prepaid expenses	48,794	27,519	76,313
Capital assets (not being depreciated)	795,247	2,700	797,947
Capital assets (net)	1,211,608	1,084,234	2,295,842
<u>Total assets</u>	<u>4,955,095</u>	<u>4,039,651</u>	<u>8,994,746</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	<u>52,831</u>	<u>63,829</u>	<u>116,660</u>
<u>LIABILITIES</u>			
Accounts payable	18,237	20,057	38,294
Accrued payroll benefits	5,140	1,567	6,707
Sales tax payable	8,274	-	8,274
Due to other government	-	160	160
Payable from restricted assets	-	106,732	106,732
Long-term liabilities			
Due in more than one year	36,181	17,254	53,435
Net pension liability	135,205	163,351	298,556
<u>Total liabilities</u>	<u>203,037</u>	<u>309,121</u>	<u>512,158</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	<u>15,593</u>	<u>3,001</u>	<u>18,594</u>
<u>NET POSITION</u>			
Net investment in capital assets	2,006,855	1,086,934	3,093,789
Restricted for tax dedications	1,821,424	-	1,821,424
Unrestricted	961,017	2,704,424	3,665,441
<u>Total net position</u>	<u>\$ 4,789,296</u>	<u>\$ 3,791,358</u>	<u>\$ 8,580,654</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF KROTZ SPRINGS, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	PROGRAM REVENUES			NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION			
	EXPENSES	FEES, FINES AND CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<u>FUNCTIONS / PROGRAMS</u>							
Governmental Activities							
General government	\$ 511,314	\$ 12,638	\$ -	\$ -	\$ (498,676)	\$ -	\$ (498,676)
Public safety	573,196	301,264	-	-	(271,932)	-	(271,932)
Public works	140,565	-	-	-	(140,565)	-	(140,565)
Culture and recreation	26,845	-	-	-	(26,845)	-	(26,845)
Interest on long-term debt	38	-	-	-	(38)	-	(38)
<u>Total governmental activities</u>	<u>1,251,958</u>	<u>313,902</u>	<u>-</u>	<u>-</u>	<u>(938,056)</u>	<u>-</u>	<u>(938,056)</u>
Business-type Activities							
Gas	179,307	373,137	-	-	-	193,830	193,830
Water	294,054	342,327	-	-	-	48,273	48,273
Sewer	188,706	95,031	-	-	-	(93,675)	(93,675)
<u>Total business-type activities</u>	<u>662,067</u>	<u>810,495</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>148,428</u>	<u>148,428</u>
<u>Total</u>	<u>1,914,025</u>	<u>1,124,397</u>	<u>-</u>	<u>-</u>	<u>(938,056)</u>	<u>148,428</u>	<u>(789,628)</u>

Continued on next page.

The accompanying notes are an integral part of the basic financial statements.

TOWN OF KROTZ SPRINGS, LOUISIANA
STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

EXPENSES	PROGRAM REVENUES			NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION		
	FEES, FINES AND CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
General revenues						
Taxes						
Property taxes, levied for general purposes				\$ 326,017	\$ -	\$ 326,017
Sales taxes, levied for general purposes				380,434	-	380,434
Franchise taxes				205,713	-	205,713
Interest and investment earnings				9,578	24,177	33,755
Non-employer pension revenue				4,149	5,013	9,162
Occupational licenses and other permits				71,885	-	71,885
Intergovernmental				88,482	-	88,482
Donated assets				2,047	-	2,047
Miscellaneous				20,716	10	20,726
Loss on disposal of capital assets				(3,968)	-	(3,968)
Transfers				(83,558)	83,558	-
<u>Total general revenues and transfers</u>				<u>1,021,495</u>	<u>112,758</u>	<u>1,134,253</u>
<u>Changes in net position</u>				<u>83,439</u>	<u>261,186</u>	<u>344,625</u>
Net position - July 1, 2020				<u>4,705,857</u>	<u>3,530,172</u>	<u>8,236,029</u>
Net position - June 30, 2021				<u>\$ 4,789,296</u>	<u>\$ 3,791,358</u>	<u>\$ 8,580,654</u>

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

TOWN OF KROTZ SPRINGS, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	<u>GENERAL</u>	<u>SALES TAX</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 833,712	\$ 1,283,231	\$ 2,116,943
Investments	225,000	521,804	746,804
Receivables, net of allowance for uncollectibles			
Interest receivable	78	121	199
Taxes	10,827	-	10,827
Other receivable	23,720	-	23,720
Due from other funds	-	16,268	16,268
Due from other governments	29,056	-	29,056
	<hr/>	<hr/>	<hr/>
<u>Total assets</u>	<u>\$ 1,122,393</u>	<u>\$ 1,821,424</u>	<u>\$ 2,943,817</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
<u>LIABILITIES</u>			
Accounts payable	\$ 18,237	\$ -	\$ 18,237
Accrued payroll benefits	5,140	-	5,140
Sales tax payable	8,274	-	8,274
Due to other funds	44,371	-	44,371
	<hr/>	<hr/>	<hr/>
<u>Total liabilities</u>	<u>76,022</u>	<u>-</u>	<u>76,022</u>
 <u>FUND BALANCES</u>			
Restricted	-	1,821,424	1,821,424
Unassigned	1,046,371	-	1,046,371
	<hr/>	<hr/>	<hr/>
<u>Total fund balances</u>	<u>1,046,371</u>	<u>1,821,424</u>	<u>2,867,795</u>
	<hr/>	<hr/>	<hr/>
<u>Total liabilities and fund balances</u>	<u>\$ 1,122,393</u>	<u>\$ 1,821,424</u>	<u>\$ 2,943,817</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF KROTZ SPRINGS, LOUISIANA
RECONCILIATION OF GOVERNMENTAL FUNDS' BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

Total fund balances for governmental funds at
June 30, 2021 \$ 2,867,795

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

Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds.

Those assets consist of:

Land, buildings, improvements, furniture, fixtures, equipment, and vehicles	\$ 4,464,297	
Less: Accumulated depreciation as of June 30, 2021	<u>(2,457,442)</u>	2,006,855
Prepaid expenses at June 30, 2021		48,794

The deferred outflows of expenditures are not a use of current
resources, and are therefore not reported in the funds:

Pension plan	52,831
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The deferred inflows of contributions are not available resources, and
resources, are not reported in the funds:

Pension plan	(15,593)
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General long-term debt of governmental activities is not payable from
current resources and, therefore, not reported in the funds. The debt is:

Net Pension Liability	(135,205)
Compensated absences	<u>(36,181)</u>

Net position at June 30, 2021	<u>\$ 4,789,296</u>
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The accompanying notes are an integral part of the basic financial statements.

TOWN OF KROTZ SPRINGS, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	GENERAL	SALES TAX	TOTAL GOVERNMENTAL FUNDS
<u>REVENUES</u>			
Taxes	\$ 531,730	\$ 380,434	\$ 912,164
Licenses and permits	71,885	-	71,885
Intergovernmental	88,482	-	88,482
Charges for services	14,738	-	14,738
Fines and forfeits	301,264	-	301,264
Investment income	5,830	3,748	9,578
Donated assets	2,047	-	2,047
Miscellaneous	20,716	-	20,716
<u>Total revenues</u>	<u>1,036,692</u>	<u>384,182</u>	<u>1,420,874</u>
<u>EXPENDITURES</u>			
<i>Current operating</i>			
General and administrative	456,962	3,520	460,482
Street	106,458	-	106,458
Police	567,133	-	567,133
Recreation	13,631	-	13,631
Debt service	4,649	-	4,649
Capital outlay	45,347	-	45,347
<u>Total expenditures</u>	<u>1,194,180</u>	<u>3,520</u>	<u>1,197,700</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>			
<u>OVER (UNDER) EXPENDITURES</u>			
	(157,488)	380,662	223,174
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	133,500	-	133,500
Transfers out	(40,318)	(176,740)	(217,058)
<u>Total other financing sources (uses)</u>	<u>93,182</u>	<u>(176,740)</u>	<u>(83,558)</u>
<u>NET CHANGE IN FUND BALANCES</u>			
	(64,306)	203,922	139,616
<u>FUND BALANCES, beginning of year</u>			
	<u>1,110,677</u>	<u>1,617,502</u>	<u>2,728,179</u>
<u>FUND BALANCES, end of year</u>			
	<u>\$ 1,046,371</u>	<u>\$ 1,821,424</u>	<u>\$ 2,867,795</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF KROTZ SPRINGS, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Total net change in fund balances for the year ended June 30, 2021 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$	139,616
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The change in net position reported for governmental activities
in the statement of activities is difference because:

Governmental funds report capital outlays as expenditures. However,
in the statement of activities, the cost of those assets is allocated
over their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 45,347	
Depreciation expense for year ended June 30, 2021	<u>(124,178)</u>	(78,831)

Governmental funds are reported on the modified accrual basis of
accounting as opposed to the accrual basis of accounting. Therefore,
there are revenue and expenditure accruals in the statement of activities.

Revenues that have not been earned in the governmental funds but are recognized as revenue in the government- wide financial statements		(2,100)
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Non-employer Pension Revenue		4,149
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Expenses not requiring the use of current financial resources and,
therefore, not reported as expenditures in the governmental funds

Differences between prepaid expenses on modified accrual basis versus accrual basis		5,214
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Book value of capital asset disposals		(3,968)
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This amount represents capital lease principal payments during the current period.		4,611
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Differences between compensated absences on modified accrual basis versus accrual basis		(3,411)
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Pension Expense		<u>18,159</u>
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<u>Total change in net position for the year ended</u> <u>June 30, 2021 per Statement of Activities</u>	\$	<u>83,439</u>
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The accompanying notes are an integral part of the basic financial statements.

TOWN OF KROTZ SPRINGS, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>			
	<u>GAS FUND</u>	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>TOTAL ENTERPRISE FUNDS</u>
<u>ASSETS</u>				
<u>CURRENT ASSETS</u>				
Cash and cash equivalents	\$ 605,696	\$ 825,685	\$ 22,147	\$ 1,453,528
Investments	600,073	555,072	87,699	1,242,844
Receivables, net of allowance for uncollectibles				
Accounts	34,865	36,612	11,036	82,513
Interest	-	29	-	29
Other	2,286	2,788	810	5,884
Due from other governments	-	5,565	-	5,565
Due from other funds	13,522	7,397	7,184	28,103
Prepaid insurance	5,503	16,512	5,504	27,519
<u>Total current assets</u>	<u>1,261,945</u>	<u>1,449,660</u>	<u>134,380</u>	<u>2,845,985</u>
<u>RESTRICTED ASSETS</u>				
Cash	37,852	53,740	-	91,592
Investments	15,140	-	-	15,140
<u>Total restricted assets</u>	<u>52,992</u>	<u>53,740</u>	<u>-</u>	<u>106,732</u>
<u>PROPERTY AND EQUIPMENT</u>				
Utility plant, net	18,479	133,420	935,035	1,086,934
<u>Total property and equipment</u>	<u>18,479</u>	<u>133,420</u>	<u>935,035</u>	<u>1,086,934</u>
<u>Total assets</u>	<u>1,333,416</u>	<u>1,636,820</u>	<u>1,069,415</u>	<u>4,039,651</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	<u>18,221</u>	<u>34,267</u>	<u>11,341</u>	<u>63,829</u>
<u>LIABILITIES AND NET POSITION</u>				
<u>CURRENT LIABILITIES (from current assets)</u>				
Accounts payable	7,627	9,449	2,981	20,057
Accrued payroll benefits	533	703	331	1,567
Due to other governments	-	160	-	160
<u>Total</u>	<u>8,160</u>	<u>10,312</u>	<u>3,312</u>	<u>21,784</u>

Continued on next page.
The accompanying notes are an integral part of the basic financial statements.

TOWN OF KROTZ SPRINGS, LOUISIANA
STATEMENT OF NET POSITION (CONTINUED)
PROPRIETARY FUNDS
JUNE 30, 2021

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			
	GAS FUND	WATER FUND	SEWER FUND	TOTAL ENTERPRISE FUNDS
<u>CURRENT LIABILITIES</u> (from restricted assets)				
Customers' deposits	\$ 52,992	\$ 53,740	\$ -	\$ 106,732
<u>Total</u>	52,992	53,740	-	106,732
<u>Total current liabilities</u>	61,152	64,052	3,312	128,516
<u>NONCURRENT LIABILITIES</u>				
Net pension liability	46,631	87,695	29,025	163,351
Accrued compensated absences	9,713	4,616	2,925	17,254
<u>Total noncurrent liabilities</u>	56,344	92,311	31,950	180,605
<u>Total liabilities</u>	117,496	156,363	35,262	309,121
<u>DEFERRED INFLOWS OF RESOURCES</u>	857	1,611	533	3,001
<u>NET POSITION</u>				
Net investment in capital assets	18,479	133,420	935,035	1,086,934
Unrestricted	1,214,805	1,379,693	109,926	2,704,424
<u>Total net position</u>	\$ 1,233,284	\$ 1,513,113	\$ 1,044,961	\$ 3,791,358

The accompanying notes are an integral part of the basic financial statements.

TOWN OF KROTZ SPRINGS, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>			
	<u>GAS FUND</u>	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>TOTAL ENTERPRISE FUNDS</u>
<u>OPERATING REVENUES</u>				
Charges for services	\$ 373,137	\$ 342,327	\$ 95,031	\$ 810,495
<u>Total operating revenues</u>	<u>373,137</u>	<u>342,327</u>	<u>95,031</u>	<u>810,495</u>
<u>OPERATING EXPENSES</u>				
Personal services	80,150	137,917	40,592	258,659
Contractual services	63,774	-	2,964	66,738
Supplies	-	16,858	123	16,981
Other expenses	33,549	119,646	63,722	216,917
Depreciation	1,834	19,633	81,305	102,772
<u>Total operating expenses</u>	<u>179,307</u>	<u>294,054</u>	<u>188,706</u>	<u>662,067</u>
<u>OPERATING INCOME (LOSS)</u>	<u>193,830</u>	<u>48,273</u>	<u>(93,675)</u>	<u>148,428</u>
<u>NON-OPERATING REVENUES</u>				
Miscellaneous income	-	10	-	10
Interest income	8,322	15,450	405	24,177
Non-employer pension revenue	1,431	2,691	891	5,013
<u>Total non-operating revenues</u>	<u>9,753</u>	<u>18,151</u>	<u>1,296</u>	<u>29,200</u>
<u>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</u>	<u>203,583</u>	<u>66,424</u>	<u>(92,379)</u>	<u>177,628</u>
<u>OPERATING TRANSFERS IN (OUT)</u>				
Operating transfers in	17,258	42,755	30,980	90,993
Operating transfers out	-	(7,435)	-	(7,435)
<u>Total operating transfers in (out)</u>	<u>17,258</u>	<u>35,320</u>	<u>30,980</u>	<u>83,558</u>
<u>CHANGE IN NET POSITION</u>	<u>220,841</u>	<u>101,744</u>	<u>(61,399)</u>	<u>261,186</u>
<u>NET POSITION, beginning of year</u>	<u>1,012,443</u>	<u>1,411,369</u>	<u>1,106,360</u>	<u>3,530,172</u>
<u>NET POSITION, end of year</u>	<u>\$ 1,233,284</u>	<u>\$ 1,513,113</u>	<u>\$ 1,044,961</u>	<u>\$ 3,791,358</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF KROTZ SPRINGS, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>			
	<u>GAS FUND</u>	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>TOTAL ENTERPRISE FUNDS</u>
<u>CASH FLOWS FROM OPERATING</u>				
<u>ACTIVITIES</u>				
Cash received from customers	\$ 356,225	\$ 334,635	\$ 91,380	\$ 782,240
Cash payments to suppliers for goods and services	(91,815)	(134,275)	(66,885)	(292,975)
Cash payments to employees for services	(75,174)	(130,103)	(41,680)	(246,957)
<u>Net cash provided (used) by operating activities</u>	<u>189,236</u>	<u>70,257</u>	<u>(17,185)</u>	<u>242,308</u>
<u>CASH FLOWS FROM NONCAPITAL</u>				
<u>FINANCING ACTIVITIES</u>				
Transfers in (out)	16,870	42,908	23,375	83,153
Change in customer meter deposits	1,449	2,255	-	3,704
<u>Net cash provided by noncapital financing activities</u>	<u>18,319</u>	<u>45,163</u>	<u>23,375</u>	<u>86,857</u>
<u>CASH FLOWS FROM CAPITAL AND</u>				
<u>RELATED FINANCING ACTIVITIES</u>				
Acquisition of capital assets	(2,791)	(28,240)	(13,675)	(44,706)
<u>Net cash provided (used) by capital and related financing activities</u>	<u>(2,791)</u>	<u>(28,240)</u>	<u>(13,675)</u>	<u>(44,706)</u>
<u>CASH FLOWS FROM INVESTING</u>				
<u>ACTIVITIES</u>				
Purchase of investments	(462)	(402)	(88)	(952)
Interest on investments	8,323	15,444	405	24,172
<u>Net cash provided by investing activities</u>	<u>7,861</u>	<u>15,042</u>	<u>317</u>	<u>23,220</u>
<u>NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS</u>	<u>212,625</u>	<u>102,222</u>	<u>(7,168)</u>	<u>307,679</u>
<u>CASH & CASH EQUIVALENTS, July 1, 2020</u>	<u>430,923</u>	<u>777,203</u>	<u>29,315</u>	<u>1,237,441</u>
<u>CASH & CASH EQUIVALENTS, June 30, 2021</u>	<u>\$ 643,548</u>	<u>\$ 879,425</u>	<u>\$ 22,147</u>	<u>\$ 1,545,120</u>

Continued on next page.

The accompanying notes are an integral part of the basic financial statements.

TOWN OF KROTZ SPRINGS, LOUISIANA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			
	GAS FUND	WATER FUND	SEWER FUND	TOTAL ENTERPRISE FUNDS
<u>RECONCILIATION OF OPERATING INCOME</u>				
<u>(LOSS) TO NET CASH PROVIDED</u>				
<u>(USED) BY OPERATING</u>				
<u>ACTIVITIES</u>				
Operating income (loss)	\$ 193,830	\$ 48,273	\$ (93,675)	\$ 148,428
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	1,834	19,633	81,305	102,772
(Increase) decrease in accounts receivable	(14,625)	(4,904)	(2,841)	(22,370)
(Increase) decrease in other receivable	(2,286)	(2,788)	(810)	(5,884)
(Increase) decrease in prepaid insurance	(81)	(244)	(81)	(406)
Increase (decrease) in accounts payable	5,589	2,473	5	8,067
Increase (decrease) in accrued payroll benefits	63	(57)	45	51
Increase (decrease) in accrued compensated absences	419	(1,834)	(2,526)	(3,941)
Increase in pension expense	4,493	9,705	1,393	15,591
<u>Total adjustments</u>	<u>(4,594)</u>	<u>21,984</u>	<u>76,490</u>	<u>93,880</u>
 <u>Net cash provided (used)</u> <u>by operating activities</u>	 <u>\$ 189,236</u>	 <u>\$ 70,257</u>	 <u>\$ (17,185)</u>	 <u>\$ 242,308</u>

Reconciliation of cash and cash equivalents per statement
of cash flows to the statement of net position:

Cash and cash equivalents, beginning of period-

Cash and cash equivalents-unrestricted	\$ 1,149,553
Cash-restricted	87,888
Total cash and cash equivalents	1,237,441

Cash and cash equivalents, end of period-

Cash and cash equivalents-unrestricted	1,453,528
Cash-restricted	91,592
Total cash and cash equivalents	1,545,120

Net Increase	\$ 307,679
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The accompanying notes are an integral part of the basic financial statements.

TOWN OF KROTZ SPRINGS, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Town of Krotz Springs, Louisiana have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units, hereinafter referred to as GAAP (generally accepted accounting principles). The accepted standard-setting body for establishing governmental accounting and financial reporting principles is GASB (the Governmental Accounting Standards Board).

The following is a summary of certain significant accounting policies and practices of the Town of Krotz Springs.

A. FINANCIAL REPORTING ENTITY

In March 2009, the Governmental Accounting Standards Board (GASB) issued Statement No. 54 - Fund Balance Reporting and Government Fund Type Definitions. This Statement establishes fund balance classifications based primarily on the extent to which the Town is bound to honor constraints on the use of the resources reported in each governmental fund as well as establishes additional note disclosures regarding fund balance classification policies and procedures.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Town of Krotz Springs for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Town to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Town.
2. Organizations for which the Town does not appoint a voting majority but are fiscally dependent on the Town.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The Town of Krotz Springs is a primary government and has no component units. The accompanying financial statements present information only on the funds maintained by the Town and do not present information on any other governmental unit.

B. BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

The *Statement of Net Position* and the *Statement of Activities* display information on all of the nonfiduciary activities of the Town of Krotz Springs, the reporting entity, as a whole. They include all funds of the reporting entity. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Net Position at the fund financial statement level.

TOWN OF KROTZ SPRINGS, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. BASIS OF PRESENTATION - Continued

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS) - Continued

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs, 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.

FUND FINANCIAL STATEMENTS

The accounts of the Town are organized and operated 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 is maintained consistent with legal and managerial requirements.*

The various funds of the Town are classified into two categories: governmental and proprietary. 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 Town or meets the following criteria:

- a. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, 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 and deferred outflows of resources, liabilities and deferred inflows of resources, 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 reports the following major governmental funds:

Governmental Funds

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

Special Revenue Fund

Sales Tax Fund. The Sales Tax Fund is used to account for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for specific purposes.

The Town reports the following major proprietary funds:

Enterprise Funds

Gas Fund The Gas Fund accounts for gas services to residents of the Town of Krotz Springs. All activities necessary to provide such services are accounted for in this fund, including, but not limited to operations, construction, administration, maintenance, financing and related debt service, and billing and collection.

Water Fund The Water Fund accounts for water services to residents of the Town of Krotz Springs. All activities necessary to provide such services are accounted for in this fund, including, but not limited to operations, construction, administration, maintenance, financing and related debt service, and billing and collection.

TOWN OF KROTZ SPRINGS, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. BASIS OF PRESENTATION – Continued

FUND FINANCIAL STATEMENTS – Continued

Enterprise Funds – Continued

Sewer Fund

The Sewer Fund accounts for sewer services to the Town of Krotz Springs. All activities necessary to provide such services are accounted for in this fund, including but not limited to, operations, construction, administration, maintenance, financing and related debt service, and billing and collection.

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

MEASUREMENT FOCUS

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objective of this measurement focus is the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

BASIS OF ACCOUNTING

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

TOWN OF KROTZ SPRINGS, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING - Continued

PROGRAM REVENUES

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the Town's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Town's general revenues.

ALLOCATION OF INDIRECT EXPENSES

The Town reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately in the Statement of Activities.

D. INTERFUND RECEIVABLES AND PAYABLES

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Interfund receivables and payables between funds within governmental activities are eliminated in the *Statement of Net Position*.

E. CAPITAL ASSETS

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

Prior to GASB No. 34, governments were not required to report general infrastructure assets. The Town of Krotz Springs did not capitalize infrastructure expenditures.

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated assets, which are recorded at their estimated fair value at the date of donation. The Town of Krotz Springs maintains a threshold level of \$500 or more for capitalizing capital assets.

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:

Land improvements	5 - 20 years
Buildings and improvements	10 - 40 years
Equipment	5 - 20 years
Furniture and fixtures	7 - 15 years
Other structures and improvements	5 - 25 years
Water works and gas system	20 - 50 years
Water works furniture and equipment	20 - 50 years
Sewer plant and equipment	10 - 20 years

TOWN OF KROTZ SPRINGS, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

E. CAPITAL ASSETS – Continued

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

It is the policy of the Town to capitalize material amounts of interest resulting from borrowings in the course of the construction of fixed assets.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as facilities acquisition and construction expenditures of the governmental fund upon acquisition.

F. BAD DEBTS

Uncollectible amounts due for ad valorem taxes, miscellaneous liens, and sundry claims are recorded as bad debts through the establishment of an allowance account at the time information available indicates the uncollectibility of the particular receivable.

Uncollectible amounts due for customers' utility receivables are recognized as bad debts through the adjustment of an allowance account to the balance of individual accounts over 90 days old at the end of each fiscal year.

Allowance for uncollectible accounts receivable in the Enterprise Funds at June 30, 2021 was \$7,497.

G. COMPENSATED ABSENCES

Employees of the Town of Krotz Springs earn vacation and sick leave on a calendar year basis. Unused vacation cannot be carried over from one anniversary date to another, except at the discretion of management. No more than 7 days of sick leave per year can be carried over to the next year. Upon termination or retirement, unused vacation is paid to the employee at the employee's current rate of pay. Upon termination, unused sick leave up to 30 days is paid to the employee at the employee's current rate of pay.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid.

H. CASH AND CASH EQUIVALENTS

For purposes of the Statement of Cash Flows, the Town considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

I. RESTRICTED ASSETS

Restricted assets include cash and interest-bearing deposits of the proprietary fund that are legally restricted as to their use. The restricted assets are related to the utility meter deposits.

J. LONG-TERM DEBT

The accounting treatment of long-term debt 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.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of the compensated absences payable.

TOWN OF KROTZ SPRINGS, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

J. LONG-TERM DEBT – Continued

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

K. REVENUES, EXPENDITURES, AND EXPENSES

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.

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 Funds – By Operating and Non-operating

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

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purpose of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

L. EQUITY CLASSIFICATIONS

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

1. 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 borrowing that are attributable to the acquisition, construction or improvement of those assets.
2. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation which applies to sales taxes.
3. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance reports aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form—prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

TOWN OF KROTZ SPRINGS, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

L. EQUITY CLASSIFICATIONS – Continued

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

1. Restricted – Reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

2. Committed – Consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Town Council—the government’s highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the Board Members remove the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

3. Assigned – Reflects the amounts constrained by the Town’s “intent” to be used for specific purposes but are neither restricted nor committed. The members of the Board and the Town Mayor have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

4. Unassigned – This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

Proprietary fund equity is classified the same as in the government-wide statements.

The Town considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the Town would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

M. 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 statements and *the reported amounts of revenues, expenditures, and expenses during the reporting period*. Actual results could differ from those estimates.

NOTE (2) - CASH AND INVESTMENTS

Louisiana statutes authorize the Town to invest in United States bonds, treasury notes or certificates, time certificates of deposit in state and national banks, or any other federally insured investment.

TOWN OF KROTZ SPRINGS, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE (2) - CASH AND INVESTMENTS – Continued

At year-end, the carrying amount of the Town's cash and investments was \$5,666,851. The bank balance of cash was \$3,717,272 and of investments was \$2,004,788. Investments are stated at cost or amortized cost, which approximates market. Investments consist of time certificates of deposit and direct investment in the Louisiana Asset Management Pool (LAMP). Cash and certificates of deposits are fully secured through the pledge of bank-owned securities or federal deposit insurance. Investments in certificates of deposit at June 30, 2021 were \$936,749. The Louisiana Asset Management Pool (LAMP) is a cooperative endeavor designed to create a local government investment vehicle. The cooperative endeavor was created at the initiative of the Louisiana State Treasurer's Office. With investment advice provided by a professional investment manager and custody of the assets maintained by a major Louisiana bank, LAMP has been established to improve administrative efficiency and increase investment yield for all depositing members. Investment in LAMP at June 30, 2021 was \$1,068,039. LAMP is currently rated AAAM by Standard & Poor's Ratings Services.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Town's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the Town or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. The Town does not have a policy for custodial credit risk. As of June 30, 2021, the Town's total bank balances were not fully insured and therefore exposed to custodial credit risk.

Bank balances	\$	<u>5,722,060</u>
Less: federal deposit insurance	\$	500,000
Less: Pledged securities		<u>5,222,060</u>
 Total FDIC insurance and collateral	 \$	 <u>5,722,060</u>

Deposits in the amount of \$5,222,060 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institutions' trust department or agent, but not in the Town's name. The Town does not have a policy for custodial credit risk.

NOTE (3) - RECEIVABLES

	Governmental Activities	Business- type Activities	Total
Taxes receivable	\$ 10,827	\$ -	\$ 10,827
Accounts	-	82,513	82,513
Accrued interest receivable	199	29	228
Other receivable	<u>23,720</u>	<u>5,884</u>	<u>29,604</u>
 Total	 <u>\$ 34,746</u>	 <u>\$ 88,426</u>	 <u>\$ 123,172</u>

TOWN OF KROTZ SPRINGS, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE (4) - RETIREMENT PLANS

The Town participates in two cost-sharing, multiple-employer defined benefit plans, each administered by separate public employee retirement systems. Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of all plans administered by these public employee retirement systems to the State Legislature. These plans are not closed to new entrants. Substantially all Town employees participate in one of the following retirement systems:

PLAN DESCRIPTIONS

Municipal Employees' Retirement System (MERS) provides retirement, disability, and survivor benefits to eligible employees and their beneficiaries as defined in LRS 11:1731 and 11:1781. The Town participates in Plan B.

Municipal Police Employees' Retirement System (MPERS) provides retirement, disability, and survivor benefits to eligible employees and their beneficiaries as defined in the LRS 11:2211 and 11:2220.

The systems financial statements are prepared using the accrual basis of accounting. Employer and employee contributions are recognized in the period in which the employee is compensated for services performed. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Interest income is recognized when earned. Ad valorem taxes and revenue sharing monies are recognized in the year collected by the tax collector. A brief summary of eligibility and benefits of the plans are provided in the following table:

	<u>MERS</u>	<u>MPERS</u>
Final average salary	Highest 60 months	Highest 36 months (1) or highest 60 months (2)
Years of service required and/or age eligible for benefits	30 years at any age 10 years at age 60	25 years at any age 20 years at age 50 12 years at age 55 20 years at any age (3) 30 years at any age (4) 25 years at age 55 (4) 10 years at age 60 (4)
Benefit percent per years of service	2.00%	2.50% - 3.00% (5)

(1) Membership prior to January 1, 2013

(2) Membership commencing January 1, 2013

(3) With actuarial reduced benefits

(4) Under Non Hazardous Duty sub plan commencing January 1, 2013

(5) As of January 1, 2013, Non Hazardous Duty Plan rate is 2.50% and Hazardous Duty Plan rate is 3.00%; Prior to January 1, 2013, rate is 3.33%

TOWN OF KROTZ SPRINGS, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE (4) - RETIREMENT PLANS – Continued

CONTRIBUTIONS

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. In addition, MERS receives a percentage of ad valorem taxes collected by parishes and MPERS receives a percentage of insurance premium taxes from the state. These entities are not participating employers in the pension systems and are considered to be non-employer contributing entities.

Non-employer contributions for MERS for the years ended June 30, 2021, 2020, and 2019 were \$9,162, \$7,253, and \$6,533, respectively.

The Town of Krotz Springs' employer contributions to Municipal Employees' Retirement System for the years ended June 30, 2021, 2020, and 2019, were \$43,621, \$35,466, and \$29,444, respectively, and were equal to the required contribution for each year. The Town of Krotz Springs did not make any employer contributions to Municipal Police Employees' Retirement System in the years June 30, 2021, 2020, and 2019.

Contributions of employees, employers, and non-employer contributing entities effective for the year ended June 30, 2021 for the plans in which the Town is a participating employer were as follows:

<u>Plan</u>	<u>Active Member Contribution Percentage</u>	<u>Employer Contribution Percentage</u>	<u>Amount from Non-employer Contributing Entities</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>
MERS	5.00%	14.00%	\$ 9,162	\$ 43,621	\$ 12,943
MPERS	10.00%	32.50%	-	-	-
			<u>\$ 9,162</u>	<u>\$ 43,621</u>	<u>\$ 12,943</u>

NET PENSION LIABILITY

At June 30, 2021, the Town's net pension liability is comprised of its proportionate share of the net pension liability related to each of the cost-sharing, multiple-employer plans in which the Town is a participating employer. The Town's net pension liability for each plan was measured as of the plan's measurement date, 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 proportionate share of the net pension liability for each of the plans in which it participates was based on the Town's required contributions in proportion to total required contributions for all employers. As of the most recent measurement date, the Town's proportion for each plan and the change in proportion from the prior measurement date were as follows:

TOWN OF KROTZ SPRINGS, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE (4) - RETIREMENT PLANS – Continued

<u>Plan</u>	<u>Proportionate Share of Net Pension Liability</u>	<u>Proportionate Share (%) of Net Pension Liability</u>	<u>Increase/(Decrease) from Prior Measurement Date</u>
MERS	\$ 298,556	0.329450%	0.054337%
MPERS	-	0.000000%	0.000000%
	<u>\$ 298,556</u>		

Since the measurement date of the net pension liability was June 30, 2020, the net pension liability is based upon fiduciary net position for each of the plans as of those dates. Detailed information about each pension plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the Town's net pension liability is available in the separately issued plan financial reports for those fiscal years. The financial report for each plan may be accessed on their website as follows:

MERS – www.mersla.com

MPERS – www.lampers.org

ACTUARIAL ASSUMPTIONS

The following table provides information concerning actuarial assumptions used in the determination of the total net pension liability for each of the retirement plans in which the Town is a participating employer:

	<u>MERS</u>	<u>MPERS</u>
Date of experience study on which significant assumptions are based	7/1/2013 - 6/30/2018	7/1/2014 - 6/30/2019
Expected remaining service lives	3	4
Inflation rate	2.50%	2.50%
Projected salary increases	4.90% - 7.4%	4.70% - 12.30%
Projected benefit changes including COLAs	None	None
Source of mortality assumptions	(1), (2), (3)	(4), (5), (6)

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

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

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

(4) For annuitants and beneficiaries, the Pub-2010 Public Retirement Plan Mortality Table for Safety Below -Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale.

(5) For disabled lives, the Pub-2010 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projections using the MP2019 scale.

(6) For employees, the Pub-2010 Public Retirement Plans Mortality Table for Safety Below -Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale.

TOWN OF KROTZ SPRINGS, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE (4) - RETIREMENT PLANS – Continued

COST OF LIVING ADJUSTMENTS

The plans in which the Town participates have the authority to grant cost-of-living adjustments (COLAs) on an ad hoc basis. Pursuant to LRS 11:242(B), the power of the Board of Trustees of the statewide systems (MERS and MPERS) to grant a COLA if effective in calendar years that the legislature fails to grant a COLA, unless in the legislation granting a COLA, the legislature authorizes the Board of Trustees to provide an additional COLA. The authority to grant a COLA by the Board is subject to the funded status and interest earnings. The effects of the benefit changes made as a result of the COLAs is included in the measurement of the total pension liability as of the measurement date at which the ad hoc COLA was granted and the amount is known and reasonably estimable.

TOWN OF KROTZ SPRINGS, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE (4) - RETIREMENT PLANS – Continued

DISCOUNT RATE

The discount rates used to measure the Village's total pension liability for each plan and the significant assumptions used in the determination of the discount rate for each plan are as follows:

	<u>MERS</u>	<u>MPERS</u>
Discount rate	6.950%	6.950%
Change in discount rate from prior valuation	-0.050%	-0.175%
Plan cash flow assumptions	(1)	(1)
Rates incorporated in the discount rate:		
Long-term rate of return	6.95%	6.950%
Periods applied	All	All
Municipal bond rate	N/A	N/A

(1) Plan member contributions will be made at the current contribution rates and sponsor contributions will be made at the actuarially determined rates

The discount rates used to determine the Town's total pension liability for each plan is equal to the long-term expected rate of return on pension plan investments that are expected to be used to finance the payment of benefits. For MERS and MPERS, the long-term expected rate of return for each plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized for each plan in the following tables:

<u>Asset Class</u>	<u>MERS</u>		<u>MPERS</u>	
	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Equity	53.00%	2.33%	48.50%	3.08%
Fixed Income	38.00%	1.67%	33.50%	0.54%
Alternative	9.00%	0.40%	18.00%	1.02%
Total	<u>100.00%</u>	<u>4.40%</u>	<u>100.00%</u>	<u>4.64%</u>
Inflation		<u>2.60%</u>		<u>2.55%</u>
Expected Nominal Return		<u>7.00%</u>		<u>7.19%</u>

TOWN OF KROTZ SPRINGS, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE (4) - RETIREMENT PLANS – Continued

PENSION EXPENSE, DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended June 30, 2020, the Town recognized \$41,334 in pension expense related to all retirement plans in which it participates. MERS recognized revenues in the amount of \$9,162 in ad valorem taxes collected from non-employer contributing entities. The pension expense and revenues are summarized by plan in the following table:

<u>Plan</u>	<u>Pension Expense</u>	<u>Revenues</u>
MERS	\$ 60,383	\$ 9,162
MPERS	(19,049)	-
	<u>\$ 41,334</u>	<u>\$ 9,162</u>

At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		
	<u>MERS</u>	<u>MPERS</u>	<u>Total</u>
Differences between expected and actual experience	\$ -	\$ -	\$ -
Changes of assumptions	9,253	-	9,253
Net difference between projected and actual earnings on pension plan investments	32,411	-	32,411
Changes in proportion and differences between Employer contributions and proportionate share of contributions and deferred outflows and inflows of resources	31,375	-	31,375
Employer contributions subsequent to the measurement date	43,621	-	43,621
Total	<u>\$ 116,660</u>	<u>\$ -</u>	<u>\$ 116,660</u>

TOWN OF KROTZ SPRINGS, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE (4) - RETIREMENT PLANS – Continued

PENSION EXPENSE, DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS – Continued

	Deferred Inflows of Resources		
	MERS	MPERS	Total
Differences between expected and actual experience	\$ 5,023	\$ -	\$ 5,023
Changes of assumptions	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	-	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions and deferred outflows and inflows of resources	461	13,110	13,571
Employer contributions subsequent to the measurement date	-	-	-
Total	<u>\$ 5,484</u>	<u>\$ 13,110</u>	<u>\$ 18,594</u>

Deferred outflows of resources of \$43,621 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending June 30, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

<u>Year ended June 30</u>	<u>MERS</u>	<u>MPERS</u>	<u>Total</u>
2021	\$ 32,298	\$ (13,111)	\$ 19,187
2022	23,126	2	23,128
2023	7,384	-	7,384
2024	4,747	-	4,747
Total	<u>\$ 67,555</u>	<u>\$ (13,109)</u>	<u>\$ 54,446</u>

SENSITIVITY TO CHANGES IN DISCOUNT RATE

The following presents the Town's proportionate shares of the net pension liability for each plan, calculated using their respective discount rates, as well as what the Town's proportionate shares of the net pension liability for each plan would be if they were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

TOWN OF KROTZ SPRINGS, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE (4) - RETIREMENT PLANS – Continued

SENSITIVITY TO CHANGES IN DISCOUNT RATE – Continued

Plan	Current Discount Rate	Net Pension Liability		
		1% Decrease	Current Discount Rate	1% Increase
MERS	6.950%	\$ 397,434	\$ 298,556	\$ 214,892
MPERS	6.950%	-	-	-
Total		\$ 397,434	\$ 298,556	\$ 214,892

CHANGE IN NET PENSION LIABILITY

The changes in the net pension liability for the year ended June 30, 2020 were recognized in the current reporting period except as follows:

Differences between Expected and Actual Experience: Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized as pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The differences between expected and actual experience for MERS resulted in a deferred inflow of resources in the amount of \$5,023 for the year ended June 30, 2020.

Changes of Assumptions or Other Inputs: Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. Changes of assumptions or other inputs for MERS resulted in a deferred outflow of resources in the amount of \$9,253 for the year ended June 30, 2020.

Differences between Projected and Actual Investment Earnings: Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The difference between projected and actual investment earnings for MERS resulted in a deferred outflow of resources in the amount of \$32,411 for the year ended June 30, 2020.

Change in Proportion: Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. The change in proportion for MERS resulted in a deferred outflow of resources in the amount of \$31,375 and a deferred inflow of resources in the amount of \$461 for the year ended June 30, 2020. The change in proportion for MPERS resulted in a deferred inflow of resources in the amount of \$13,110 for the year ended June 30, 2020.

TOWN OF KROTZ SPRINGS, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE (4) - RETIREMENT PLANS – Continued

CONTRIBUTIONS – PROPORTIONATE SHARE

Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of pension amounts due to differences that could arise between contributions reported by the System and contributions reported by the participating employer.

PAYABLES TO THE PENSION PLAN

At June 30, 2021, the Town reported a payable to the Municipal Employees' Retirement System of Louisiana of \$3,281 for the employer's portion of contractually required contributions to the pension plan for the month of June.

ESTIMATES

The preparation of the schedule of employer allocations and the schedule of pension amounts in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities. Actual results may differ from those estimates.

NOTE (5) - AD VALOREM TAXES

For the year ended June 30, 2021, the Town of Krotz Springs levied a general tax of 8.52 mills, the statutory maximum, on property with assessed valuation totaling \$37,597,840. Total tax levied was \$320,334. Taxes receivable at June 30, 2021 totaled \$10,827, net of the allowance for uncollectible accounts of \$22,160. The Town's ad valorem tax, levied for the calendar year, is due on or before December 31 and becomes delinquent on January 1.

NOTE (6) - ACCOUNTS RECEIVABLE – ENTERPRISE FUNDS

The accounts receivable consist of gas, water and sewer billings uncollected as of June 30, 2021. An accounts receivable aging schedule is as follows:

<u>Days</u>		
Unbilled	\$	16,484
0 - 30		67,960
31 - 60		-
61 - 90		-
91 and older		5,566
<u>Total accounts receivable</u>		<u>90,010</u>
Less: allowance for uncollectible accounts		<u>(7,497)</u>
<u>Net accounts receivable</u>	<u>\$</u>	<u>82,513</u>

NOTE (7) - PROPRIETARY FUNDS – RESTRICTED ASSETS

Certain assets of the Enterprise Funds have been restricted for customers' deposits. These assets consist of cash and short-term investments totaling \$106,732.

TOWN OF KROTZ SPRINGS, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE (8) - CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2021, for the Town of Krotz Springs is as follows:

	Balances July 1, 2020	Additions	Disposals	Balances June 30, 2021
Governmental Activities				
Non-depreciable				
Land	\$ 795,247	\$ -	\$ -	\$ 795,247
Depreciable				
Land improvements	640,498	-	-	640,498
Building and improvements	1,609,615	-	-	1,609,615
Equipment	756,812	45,347	145,393	656,766
Furniture and fixtures	36,676	-	-	36,676
Other structures and improvements	725,495	-	-	725,495
<u>Total</u>	<u>4,564,343</u>	<u>45,347</u>	<u>145,393</u>	<u>4,464,297</u>
Less accumulated depreciation				
Land improvements	460,553	28,017	-	488,570
Building and improvements	796,799	43,249	-	840,048
Equipment	576,884	36,873	141,425	472,332
Furniture and fixtures	24,399	1,763	-	26,162
Other structures and improvements	616,054	14,276	-	630,330
<u>Total accumulated depreciation</u>	<u>2,474,689</u>	<u>124,178</u>	<u>141,425</u>	<u>2,457,442</u>
Governmental Activities				
Capital assets, net	<u>\$ 2,089,654</u>	<u>\$ (78,831)</u>	<u>\$ 3,968</u>	<u>\$ 2,006,855</u>
Business-type Activities				
Non-depreciable				
Land	\$ 2,700	\$ -	\$ -	\$ 2,700
Depreciable				
Waterworks and gas system	2,388,943	31,032	-	2,419,975
Waterworks furniture and equipment	163,719	-	-	163,719
Sewer plant and equipment	3,010,115	13,675	-	3,023,790
<u>Total</u>	<u>5,565,477</u>	<u>44,707</u>	<u>-</u>	<u>5,610,184</u>
Less accumulated depreciation				
Waterworks and gas system	2,301,966	19,066	-	2,321,032
Waterworks furniture and equipment	111,063	2,401	-	113,464
Sewer plant and equipment	2,007,449	81,305	-	2,088,754
<u>Total accumulated depreciation</u>	<u>4,420,478</u>	<u>102,772</u>	<u>-</u>	<u>4,523,250</u>
Business-type Activities				
Capital assets, net	<u>\$ 1,144,999</u>	<u>\$ (58,065)</u>	<u>\$ -</u>	<u>\$ 1,086,934</u>

TOWN OF KROTZ SPRINGS, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE (8) - CAPITAL ASSETS - Continued

Depreciation expense was charged to governmental and business-type activities as follows:

	<u>Governmental</u>
General government	\$ 53,712
Public safety - police	19,452
Public works - streets	36,738
Culture and recreation	14,276
<u>Total</u>	<u>\$ 124,178</u>
	<u>Business-type</u>
Gas	\$ 1,834
Water	19,633
Sewer	81,305
<u>Total</u>	<u>\$ 102,772</u>

NOTE (9) - CHANGES IN LONG-TERM DEBT

The Town of Krotz Springs entered into a loan agreement with AmeriCredit Financial Services, financed through GM Financial, for a Chevrolet Tahoe on October 11, 2017. The first monthly payment was due on November 11, 2017. The agreement requires monthly payments of \$947 for thirty-six months at an interest rate of 4.88% which are recorded in the General Fund, secured by the vehicle. The gross amount of the vehicle is \$34,102 and accumulated depreciation as of June 30, 2021 is \$12,504. The current depreciation expense is \$3,410.

Compensated absences payable in the Governmental Activities column relate to General Fund and are paid with General Fund sources. Compensated absences payable in the Business type activities are paid by Gas, Water, & Sewer Funds.

The following is a summary of long-term debt transactions of the Town for the year ended June 30, 2021.

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Compensated absences payable at 7/01/20	\$ 32,770	\$ 21,195	\$ 53,965
Increase (decrease)	3,411	(3,941)	(530)
Compensated absences payable at 6/30/21	36,181	17,254	53,435
Due within one year	\$ -	\$ -	\$ -
Capital lease payable at 7/01/20	\$ 4,611	\$ -	\$ 4,611
Payments	(4,611)	-	(4,611)
Capital lease payable at 6/30/21	-	-	-

TOWN OF KROTZ SPRINGS, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE (10) - LEASE COMMITMENTS

The Town of Krotz Springs entered into a monthly operating lease for a postage meter machine. In October 2016, the Town received a new postage machine, increasing their quarterly payments to \$207. Lease expense at June 30, 2021 totaled \$1,014.

NOTE (11) - INTERFUND RECEIVABLES, PAYABLES

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds" in the fund financial statements. In the government-wide financial statements, interfund receivables and payables are eliminated within the governmental activities and within the business-type activities. All of these accounts are expected to be repaid within one year from the date of the financial statements.

Interfund receivables and payables in the fund financial statements are as follows:

	Interfund Receivables	Interfund Payables
Major Funds		
Governmental Funds		
General Fund	\$ -	\$ 44,371
Sales Tax Fund	16,268	-
Proprietary Funds		
Gas Fund	13,522	-
Water Fund	7,397	-
Sewer Fund	7,184	-
	<u>\$ 44,371</u>	<u>\$ 44,371</u>

NOTE (12) - INTERFUND TRANSFERS

Transfers consisted of the following at June 30, 2021:

	Transfers In	Transfers Out
Major Funds		
Governmental Funds		
General Fund	\$ 133,500	\$ 40,318
Sales Tax Fund	-	176,740
Proprietary Funds		
Gas Fund	17,258	-
Water Fund	42,755	7,435
Sewer Fund	30,980	-
	<u>\$ 224,493</u>	<u>\$ 224,493</u>

TOWN OF KROTZ SPRINGS, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE (12) - INTERFUND TRANSFERS - Continued

Transfers are used to (a) move revenues from the fund that statute or budget requires them to the fund that statute requires to expend them and to (b) use unrestricted revenues collected in the utility fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE (13) - RISK MANAGEMENT

The Town is exposed to risks of loss in the areas of general and auto liability, property hazards and worker's compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in insurance coverage during the year, nor have settlements exceeded coverage for the last three years.

NOTE (14) - FUND BALANCE CONSTRAINTS

The constraints on fund balance as listed in aggregate in the Balance Sheet are detailed according to balance classification and fund.

	<u>General Fund</u>	<u>Sales Tax</u>	<u>Total</u>
Fund Balances:			
Nonspendable:	\$ -	\$ -	\$ -
Restricted:	-	1,821,424	1,821,424
Committed:	-	-	-
Assigned:	-	-	-
Unassigned:	<u>1,046,371</u>	<u>-</u>	<u>1,046,371</u>
Total fund balances	<u>\$ 1,046,371</u>	<u>\$ 1,821,424</u>	<u>\$ 2,867,795</u>

NOTE (15) - CONTINGENCIES

At June 30, 2021, the Town is involved in two lawsuits. In the opinion of management and/or legal counsel for the Town of Krotz Springs, resolution of this lawsuit will not involve any material liability to the Town of Krotz Springs.

NOTE (16) - RISKS & UNCERTAINTIES

The COVID-19 outbreak in the United States has caused business disruption through mandated closings, reduction of operating hours, or operational restrictions for nonessential businesses, including retail stores, restaurants, personal service businesses and all entertainment venues. While the disruption is expected to be temporary, there is still uncertainty around the duration of and the implications of the closings. The Town of Krotz Springs expects this matter to negatively impact availability of resources and operating results. The financial impact cannot be reasonably estimated at this time.

TOWN OF KROTZ SPRINGS, LOUISIANA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE (17) - SUBSEQUENT EVENTS

The Town received American Rescue Plan funds of \$217,473 from the State of Louisiana in October 2021. This funding was provided by the American Rescue Plan Act established by the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Fund, in an effort to assist governments.

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULES

TOWN OF KROTZ SPRINGS, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>REVENUES</u>				
Taxes	\$ 570,349	\$ 503,084	\$ 531,730	\$ 28,646
Licenses and permits	49,091	57,650	71,885	14,235
Intergovernmental	64,813	81,851	88,482	6,631
Charges for services	11,167	9,748	14,738	4,990
Fines and forfeits	340,777	273,816	301,264	27,448
Investment income	9,484	5,527	5,830	303
Donated assets	-	-	2,047	2,047
Miscellaneous	52,808	11,741	20,716	8,975
<u>Total revenues</u>	<u>1,098,489</u>	<u>943,417</u>	<u>1,036,692</u>	<u>93,275</u>
<u>EXPENDITURES</u>				
<u>Current operating</u>				
General and administrative	529,333	482,722	456,962	25,760
Street department	119,678	105,718	106,458	(740)
Police department	570,880	582,150	567,133	15,017
Recreation department	41,999	4,946	13,631	(8,685)
Debt service	4,677	5,683	4,649	1,034
Capital outlay	53,297	40,344	45,347	(5,003)
<u>Total expenditures</u>	<u>1,319,864</u>	<u>1,221,563</u>	<u>1,194,180</u>	<u>27,383</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	<u>(221,375)</u>	<u>(278,146)</u>	<u>(157,488)</u>	<u>120,658</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	95,000	133,500	133,500	-
Transfers out	(12,018)	(38,786)	(40,318)	(1,532)
<u>Total other financing sources (uses)</u>	<u>82,982</u>	<u>94,714</u>	<u>93,182</u>	<u>(1,532)</u>
<u>NET CHANGE IN FUND BALANCE</u>				
	<u>(138,393)</u>	<u>(183,432)</u>	<u>(64,306)</u>	<u>119,126</u>
<u>FUND BALANCE, beginning of year</u>				
	<u>1,110,677</u>	<u>1,110,677</u>	<u>1,110,677</u>	<u>-</u>
<u>FUND BALANCE, end of year</u>				
	<u>\$ 972,284</u>	<u>\$ 927,245</u>	<u>\$ 1,046,371</u>	<u>\$ 119,126</u>

TOWN OF KROTZ SPRINGS, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY COMPARISON SCHEDULE
SALES TAX FUND
FOR THE YEAR ENDED JUNE 30, 2021

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<u>REVENUES</u>				
Taxes				
Sales tax collections	\$ 358,328	\$ 383,047	\$ 380,434	\$ (2,613)
Investment income				
Interest income	6,436	4,064	3,748	(316)
<u>Total revenues</u>	<u>364,764</u>	<u>387,111</u>	<u>384,182</u>	<u>(2,929)</u>
<u>EXPENDITURES</u>				
Current operating				
General and administrative				
Collection fees	4,000	4,500	3,520	980
<u>Total expenditures</u>	<u>4,000</u>	<u>4,500</u>	<u>3,520</u>	<u>980</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>	<u>360,764</u>	<u>382,611</u>	<u>380,662</u>	<u>(1,949)</u>
<u>OTHER FINANCING USES</u>				
Transfers out	(95,000)	(176,740)	(176,740)	-
<u>Total other financing uses</u>	<u>(95,000)</u>	<u>(176,740)</u>	<u>(176,740)</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCE</u>	<u>\$ 265,764</u>	<u>\$ 205,871</u>	203,922	<u>\$ (1,949)</u>
<u>FUND BALANCE</u> , beginning of year			<u>1,617,502</u>	
<u>FUND BALANCE</u> , end of year			<u>\$ 1,821,424</u>	

PENSION PLAN SCHEDULES

TOWN OF KROTZ SPRINGS, LOUISIANA
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2021

Schedule for Municipal Employee Retirement System:

<u>Date*</u>	<u>Employer's Proportion of the Net Pension Liability</u>	<u>Employer's Proportionate Share of the Net Pension Liability</u>	<u>Employer's Covered Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability</u>
2021	0.329450%	\$ 298,556	\$ 255,310	116.94%	66.26%
2020	0.275113%	240,673	210,314	114.44%	66.14%
2019	0.260182%	220,070	194,375	113.22%	65.60%
2018	0.326744%	282,710	240,713	117.45%	62.49%
2017	0.303795%	251,818	223,195	112.82%	63.34%
2016	0.293065%	199,181	220,960	90.14%	66.18%
2015	0.358330%	165,689	189,016	87.66%	76.49%

Schedule for Municipal Police Employee Retirement System:

<u>Date*</u>	<u>Employer's Proportion of the Net Pension Liability</u>	<u>Employer's Proportionate Share of the Net Pension Liability</u>	<u>Employer's Covered Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability</u>
2021	0.000000%	\$ -	\$ -	0.00%	70.94%
2020	0.000000%	-	-	0.00%	71.01%
2019	0.000000%	-	-	0.00%	71.89%
2018	0.006713%	58,607	-	0.00%	70.08%
2017	0.009894%	92,735	26,624	348.31%	66.04%

*The amounts presented have a measurement date of the previous fiscal year end.

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

TOWN OF KROTZ SPRINGS, LOUISIANA
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2021

Schedule for Municipal Employee Retirement System:

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2021	\$ 43,546	\$ 43,621	\$ (75)	\$ 280,944	15.50%
2020	35,743	35,466	277	255,310	14.00%
2019	29,444	29,444	-	210,314	14.00%
2018	25,755	25,548	207	194,375	13.25%
2017	26,434	26,678	(244)	240,713	11.00%
2016	21,204	20,664	540	223,195	9.50%
2015	20,991	20,982	9	220,960	9.50%

Schedule for Municipal Police Employee Retirement System:

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2021	\$ -	\$ -	\$ -	\$ -	0.0%
2020	-	-	-	-	0.0%
2019	-	-	-	-	0.0%
2018	-	-	-	-	0.0%
2017	6,363	5,863	500	20,040	31.8%

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

TOWN OF KROTZ SPRINGS, LOUISIANA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021

(1) BUDGETS AND BUDGETARY ACCOUNTING

The Town follows these procedures in establishing the budgetary data reflected in these financial statements:

1. A public meeting is scheduled by the Town Council after allowing for at least 10 days notice to the public at the time the budget is initially submitted to the Town Council.
2. The budget must be finally adopted by the Council no later than the last day of the preceding fiscal year.
3. The Mayor and Town Council may authorize transfers of budgetary amounts within departments and revisions requiring alteration of levels of expenditures or transfers between departments.
4. Operating appropriations, to the extent not expended or encumbered, lapse at year-end. Capital appropriations continue in force until the project is completed or deemed abandoned.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Fund. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

(2) PENSION PLANS

Changes of assumptions – Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans. These assumptions include the rate of investment return, mortality of plan members, rate of salary increase, rates of retirement, rates of termination, rates of disability, and various other factors that have an impact on the cost of the plan.

OTHER SUPPLEMENTARY INFORMATION

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund. The General Fund has a greater number and variety of revenue sources than any other fund, and its resources normally finance a wider range of activities. The resources of the General Fund are ordinarily largely expended and replenished on an annual basis.

TOWN OF KROTZ SPRINGS, LOUISIANA
GENERAL FUND
DETAILED SCHEDULE OF REVENUES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
<u>TAXES</u>			
Property taxes	\$ 312,113	\$ 326,017	\$ 13,904
Franchise - Electric	190,348	205,090	14,742
Franchise - Cable television	623	623	-
<u>Total taxes</u>	<u>503,084</u>	<u>531,730</u>	<u>28,646</u>
<u>LICENSES AND PERMITS</u>			
Liquor licenses	3,550	3,760	210
Insurance licenses	25,279	38,879	13,600
Occupational licenses	26,810	26,810	-
Building and moving permits	2,011	2,436	425
<u>Total licenses and permits</u>	<u>57,650</u>	<u>71,885</u>	<u>14,235</u>
<u>INTERGOVERNMENTAL</u>			
State beer tax	3,501	3,395	(106)
Housing authority	4,286	3,586	(700)
Video poker fees	19,826	25,627	5,801
Racino income	22,137	26,394	4,257
State grants	29,480	29,480	-
Federal grants	2,621	-	(2,621)
<u>Total intergovernmental</u>	<u>81,851</u>	<u>88,482</u>	<u>6,631</u>
<u>CHARGES FOR SERVICES</u>			
Building and park rental	8,269	10,219	1,950
Recreation income	840	482	(358)
Library income	639	4,037	3,398
<u>Total charges for services</u>	<u>9,748</u>	<u>14,738</u>	<u>4,990</u>
<u>FINES AND FORFEITS</u>			
Court fines	273,816	301,264	27,448
<u>Total fines and forfeits</u>	<u>273,816</u>	<u>301,264</u>	<u>27,448</u>
<u>INVESTMENT INCOME</u>			
Interest income	5,527	5,830	303
<u>Total investment income</u>	<u>5,527</u>	<u>5,830</u>	<u>303</u>

Continued on next page.

TOWN OF KROTZ SPRINGS, LOUISIANA
GENERAL FUND
DETAILED SCHEDULE OF REVENUES
BUDGET (GAAP BASIS) AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
<u>MISCELLANEOUS</u>			
Grass cutting	\$ -	\$ 4,764	\$ 4,764
Donations	-	2,047	2,047
Other	11,741	15,952	4,211
<u>Total miscellaneous</u>	<u>11,741</u>	<u>22,763</u>	<u>11,022</u>
<u>Total revenues</u>	<u>\$ 943,417</u>	<u>\$ 1,036,692</u>	<u>\$ 93,275</u>

TOWN OF KROTZ SPRINGS, LOUISIANA
GENERAL FUND
DETAILED SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
<u>GENERAL AND ADMINISTRATIVE</u>			
<u>Personal services</u>			
Salaries	\$ 145,421	\$ 142,849	\$ 2,572
Mayor and council	41,000	42,075	(1,075)
Payroll taxes	14,096	13,165	931
Retirement	35,094	28,232	6,862
<u>Supplies</u>			
Supplies and postage	58,647	51,495	7,152
Uniforms	1,175	726	449
<u>Other</u>			
Insurance	54,493	51,807	2,686
Utilities	22,168	24,795	(2,627)
Conventions and conferences	250	2,538	(2,288)
Telephone	16,761	10,801	5,960
Legal and professional	19,562	19,886	(324)
Repairs and maintenance	20,834	25,457	(4,623)
Miscellaneous	38,269	28,803	9,466
Publications and notices	942	597	345
Dues and subscriptions	7,145	6,650	495
Pest control	1,105	940	165
Advertising	-	438	(438)
Bank charges	-	50	(50)
Tax rolls and election expense	2,373	2,170	203
Coroner fees	2,839	2,200	639
Meals	548	1,188	(640)
Boat launch expense	-	100	(100)
<u>Capital outlay</u>			
Equipment and improvements	13,982	13,696	286
<u>Total general and administrative</u>	\$ 496,704	\$ 470,658	\$ 26,046

Continued on next page.

TOWN OF KROTZ SPRINGS, LOUISIANA
GENERAL FUND
DETAILED SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<u>STREET DEPARTMENT</u>			
<u>Personal services</u>			
Salaries	\$ 18,596	\$ 18,187	\$ 409
Payroll taxes	978	897	81
<u>Supplies</u>			
Gasoline	8,564	10,734	(2,170)
Supplies	14,695	11,485	3,210
Uniforms	1,138	938	200
<u>Other</u>			
Repairs and maintenance	33,600	46,358	(12,758)
Insurance	7,550	6,250	1,300
Telephone	890	810	80
Miscellaneous	8,502	774	7,728
Equipment rental	2,400	-	2,400
Meals	416	488	(72)
Mosquito abatement	4,596	3,796	800
Drug testing	-	81	(81)
Utilities	3,793	5,660	(1,867)
<u>Capital outlay</u>			
Vehicles and equipment	21,425	23,472	(2,047)
<u>Total street department</u>	<u>\$ 127,143</u>	<u>\$ 129,930</u>	<u>\$ (2,787)</u>
<u>POLICE DEPARTMENT</u>			
<u>Personal services</u>			
Salaries	355,405	346,094	9,311
Payroll taxes	30,378	29,796	582
<u>Supplies</u>			
Office supplies and postage	985	1,230	(245)
Supplies	8,486	6,241	2,245
Uniforms	7,115	7,859	(744)
Gasoline	14,823	16,410	(1,587)
<u>Other</u>			
Insurance	112,089	104,970	7,119
Telephone	7,024	7,418	(394)

Continued on next page.

TOWN OF KROTZ SPRINGS, LOUISIANA
GENERAL FUND
DETAILED SCHEDULE OF EXPENDITURES (CONTINUED)
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
<u>POLICE DEPARTMENT - Continued</u>			
<u>Other - Continued</u>			
Repairs and maintenance	\$ 7,700	\$ 8,234	\$ (534)
Prisoners' meals	351	251	100
Auto expense	14,239	12,907	1,332
Dues and subscriptions	8,643	9,443	(800)
Conventions and conferences	2,400	2,964	(564)
Miscellaneous	790	457	333
Legal and professional	7,323	8,635	(1,312)
Drug testing	550	506	44
LA Community Law Enforcement	2,535	2,704	(169)
Equipment rental	1,314	1,014	300
<u>Capital outlay</u>			
Equipment	4,937	8,179	(3,242)
<u>Total police department</u>	<u>\$ 587,087</u>	<u>\$ 575,312</u>	<u>\$ 11,775</u>
<u>RECREATION DEPARTMENT</u>			
<u>Personal services</u>			
Salaries	-	4,800	(4,800)
<u>Supplies</u>			
Materials and supplies	500	2,331	(1,831)
<u>Other</u>			
Utilities	2,791	2,693	98
Accounting and audit	205	36	169
Repairs and maintenance	1,450	3,771	(2,321)
<u>Total recreation department</u>	<u>\$ 4,946</u>	<u>\$ 13,631</u>	<u>\$ (8,685)</u>
<u>DEBT SERVICE</u>			
Lease expense, police	5,683	4,649	1,034
<u>Total debt service</u>	<u>\$ 5,683</u>	<u>\$ 4,649</u>	<u>\$ 1,034</u>
<u>Total expenditures</u>	<u>\$1,221,563</u>	<u>\$ 1,194,180</u>	<u>\$ 27,383</u>

OTHER SUPPLEMENTARY SCHEDULES

TOWN OF KROTZ SPRINGS, LOUISIANA
ENTERPRISE FUNDS
SCHEDULE OF OPERATING EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

GAS FUND

Personal services

Salaries	\$ 58,231
Payroll taxes	4,410
Compensated absences	419
Retirement	17,090

Contractual services

Gas purchases	63,774
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Other

Repairs and maintenance	2,140
Insurance	18,294
Miscellaneous	2,110
Legal and professional	5,963
Dues and subscriptions	970
Pipeline fees	1,572
Workshops and training	2,500

Depreciation

1,834

Total gas fund

\$ 179,307

WATER FUND

Personal services

Salaries	\$ 96,282
Payroll taxes	7,354
Compensated absences	(1,835)
Retirement	27,817
Residual Actuarial Cost	8,299

Supplies

Materials and supplies	16,858
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Continued on next page.

TOWN OF KROTZ SPRINGS, LOUISIANA
ENTERPRISE FUNDS
SCHEDULE OF OPERATING EXPENSES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

WATER FUND - Continued

<u>Other</u>	
Dues and subscriptions	\$ 4,792
Repairs and maintenance	12,197
Insurance	44,279
Legal and professional	17,892
Utilities	20,756
Miscellaneous	1,864
Water pollution control fee	14,184
Workshops and training	1,090
Uniforms	2,592
<u>Depreciation</u>	<u>19,633</u>
<u>Total water fund</u>	<u>\$ 294,054</u>

SEWER FUND

<u>Personal services</u>	
Salaries	\$ 32,901
Payroll taxes	2,532
Compensated absences	(2,526)
Retirement	7,561
Residual Actuarial Cost	124
<u>Contractual services</u>	
Survey expense	2,964
<u>Supplies</u>	
Office supplies and postage	123
<u>Other</u>	
Repairs and maintenance	29,066
Insurance	13,937
Legal and professional	5,964
Utilities	13,102
Miscellaneous	551
Uniforms	1,102
<u>Depreciation</u>	<u>81,305</u>
<u>Total sewer fund</u>	<u>\$ 188,706</u>

TOWN OF KROTZ SPRINGS, LOUISIANA
COMBINED SCHEDULE OF INVESTMENTS – ALL FUNDS
JUNE 30, 2021

<u>GENERAL FUND</u>	<u>INTEREST RATES</u>	<u>MATURITY</u>	<u>TOTAL BOOK VALUE</u>
Certificate of Deposit American Bank and Trust Co.	0.50%	1/3/2022	\$ 100,000
Certificate of Deposit American Bank and Trust Co.	0.50%	1/3/2022	50,000
Certificate of Deposit American Bank and Trust Co.	0.50%	12/8/2021	75,000
<u>SALES TAX FUND</u>			
Certificate of Deposit American Bank and Trust Co.	0.50%	12/8/2021	100,000
Certificate of Deposit American Bank and Trust Co.	0.50%	12/8/2021	150,000
Certificate of Deposit American Bank and Trust Co.	0.65%	12/8/2021	150,000
Investment in Louisiana Asset Management Pool	N/A	N/A	121,804
<u>ENTERPRISE FUNDS</u>			
Certificate of Deposit American Bank and Trust Co.	0.55%	10/1/2021	15,140
Certificate of Deposit American Bank and Trust Co.	0.55%	9/30/2021	83,190
Certificate of Deposit American Bank and Trust Co.	0.55%	10/1/2021	57,866
Certificate of Deposit American Bank and Trust Co.	0.50%	12/8/2021	96,131
Certificate of Deposit American Bank and Trust Co.	0.55%	9/30/2021	59,421
Investment in Louisiana Asset Management Pool	N/A	N/A	459,018
Investment in Louisiana Asset Management Pool	N/A	N/A	338,617
Investment in Louisiana Asset Management Pool	N/A	N/A	60,902
Investment in Louisiana Asset Management Pool	N/A	N/A	87,699
<u>Total</u>			<u>\$ 2,004,788</u>

TOWN OF KROTZ SPRINGS, LOUISIANA
SCHEDULE OF INSURANCE IN FORCE
(UNAUDITED)
JUNE 30, 2021

POLICY NUMBER	INSURER	ASSETS COVERED	TYPE OF COVERAGE	LIMITS OF COVERAGE	EFFECTIVE DATES	
					FROM	TO
5X0954822	Employer's Mutual Casualty Company	Blanket policy on building occupied as police station, jail and city hall and contents, and buildings in parks	Commercial Property Coverage	Various	3/14/2021	3/14/2022
70-1148-2021-17808	Louisiana Municipal Risk Management Agency	Workmen's Compensation	Workmen's Compensation	\$500,000	2/16/2021	2/16/2022
LMA2000020-5	Lane & Associates Inc.	Various autos	Physical damage policy	Various	2/14/2021	2/14/2022
CPS7327366	Lane & Associates Inc.	2006 Volvo EC35 excavator 2012 Case Loader/Backhoe	Physical damage policy	\$89,957	3/16/2021	3/16/2022
100-1148-2021-17827	Louisiana Municipal Risk Management Agency	Various autos	Uninsured motorists, collision, property coverage	\$500,000	3/14/2021	3/14/2022
100-1148-2021-17827	Risk Management Inc.	Law Enforcement Professional Liability	Personal injury & Property damage	\$500,000	3/14/2021	3/14/2022
100-1148-2021-17827	Risk Management Inc.	Public Official's Liability Policy	Errors & Omissions	\$500,000	3/14/2021	3/14/2022
100-1148-2021-17827	Risk Management Inc.	General Liability	Bodily injury & Property damage	\$500,000	3/14/2021	3/14/2022
6AGP0000007260600	Nationwide Life Insurance Company	Summer recreation program	Liability policy	\$5,000	4/1/2021	6/30/2021

TOWN OF KROTZ SPRINGS, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO GOVERNING BODY
FOR THE YEAR ENDED JUNE 30, 2021

COMPENSATION TO BOARD MEMBERS

The compensation of the Town of Krotz Springs' governing body is included in the general administrative expenditures of the General Fund. The Mayor is paid \$1,800 per month and the board members are paid \$250 per month. Board members are also paid \$125 for any special meetings attended.

		<u>COMPENSATION</u>
Carroll Snyder, Mayor	July - June	\$ 21,600
Cynthia Stelly, Alderwoman	July - June	4,375
Nyssa Godwin, Alderwoman	July - June	4,025
Craig Burghdoff, Alderman	July - June	4,025
Keith Ardoin, Alderman	July - June	4,025
Larry Martinez, Alderman	July - June	<u>4,025</u>
		<u>\$ 42,075</u>

TOWN OF KROTZ SPRINGS, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED JUNE 30, 2021

Agency Head Name: Carroll Snyder, Mayor

Purpose	Amount
Salary	0
Benefits-insurance	0
Benefits-retirement	0
Benefits-other	0
Car allowance	3,600
Vehicle provided by government	0
Per diem	18,000
Reimbursements	0
Travel	0
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Unvouchered expenses*	0
Special meals	0

TOWN OF KROTZ SPRINGS, LOUISIANA
JUSTICE SYSTEM FUNDING SCHEDULE-COLLECTING/DISBURSING SCHEDULE
AS REQUIRED BY ACT 87 OF THE REGULAR LEGISLATIVE SESSION
CASH BASIS PRESENTATION
JUNE 30, 2021

	First Six Month Period Ended 12/31/20	Second Six Month Period Ended 06/30/2021
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ -	\$ -
Add: Collections		
Asset Forfeiture/Sale	-	2,672
Criminal Court Costs/Fees	6,085	4,634
Criminal Fines - Other	158,692	138,904
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	4,919	4,803
Subtotal Collections	169,696	151,013
Less: Disbursements To Governments & Nonprofits: <i>(Must include one agency name and one collection type on each line and may require multiple lines for the same agency if more than one collection type is applicable. Additional rows may be added as necessary.)</i>		
<i>Department of Health & Hospitals, Traumatic Head & Spine Cord Injury Trust Fund, Criminal Court Costs/Fees</i>	2,920	2,250
<i>Louisiana Commission on Law Enforcement, Criminal Court Costs/Fees</i>	1,392	1,049
<i>Louisiana Supreme Court, Criminal Court Costs/Fees</i>	355	267
<i>State of Louisiana, Trial Court Management Information System, Criminal Court Costs/Fees</i>	709	534
<i>St. Landry Crime Stoppers, Criminal Court Costs/Fees</i>	709	534
<i>St. Landry Parish District Attorney-Asset Forfeiture/Sale</i>	-	2,672
Less: Amounts Retained by Collecting Agency		
Self Disbursed to Town of Krotz Springs, Criminal Fines, other	158,692	138,904
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Payments to 3rd Party Collection/Processing Agencies	4,919	4,803
Subtotal Disbursements/Retainage	\$ 169,696	\$ 151,013
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	-	-
Ending Balance of "Partial Payments" Collected but not Disbursed <i>(only applies if collecting agency does not disburse partial payments until fully collected) - This balance is included in the Ending Balance of Amounts Collected but not Disbursed/Retained</i>	-	-
Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected <i>(i.e. receivable balance)</i>	-	-
Total Waivers During the Fiscal Period <i>(i.e. non-cash reduction of receivable balances, such as time served or community service)</i>	-	-

TOWN OF KROTZ SPRINGS, LOUISIANA
JUSTICE SYSTEM FUNDING SCHEDULE-RECEIVING SCHEDULE
AS REQUIRED BY ACT 87 OF THE REGULAR LEGISLATIVE SESSION
CASH BASIS PRESENTATION
JUNE 30, 2021

First Six Second Six
Month Period Month Period
Ended 12/31/20 Ended 06/30/21

Receipts From: *(Must include one agency name and one collection type - see below - on each line and may require multiple lines for the same agency. Additional rows may be added as necessary.)*

Louisiana Department of Public Safety and Corrections, Criminal Court
Costs/Fees

\$ 375 \$ 700

Subtotal Receipts

\$ 375 \$ 700

Ending Balance of Amounts Assessed but Not Received *(only applies to those agencies that assess on behalf of themselves, such as courts)*

-	-
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Collection Types to be used in the "Receipts From:" section above
Civil Fees
Bond Fees
Asset Forfeiture/Sale
Pre-Trial Diversion Program Fees
Criminal Court Costs/Fees
Criminal Fines - Contempt
Criminal Fines - Other
Restitution
Probation/Parole/Supervision Fees
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)
Interest Earnings on Collected Balances
Other <i>(do not include collections that fit into more specific categories above)</i>

Champagne & Company, LLC

Certified Public Accountants

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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 Carroll Snyder, Mayor
and Members of the Board of Aldermen
Krotz Springs, Louisiana

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, the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Krotz Springs, Louisiana, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Krotz Springs, Louisiana's basic financial statements, and have issued our report thereon dated November 26, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Krotz Springs, Louisiana's internal control over financial reporting (internal control) as a basis for determining 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 of Krotz Springs, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Krotz Springs, Louisiana's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Krotz Springs, Louisiana'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Champagne & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
November 26, 2021

TOWN OF KROTZ SPRINGS, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
Years Ended June 30, 2021 and 2020

I. Prior year Findings:

Internal Control Over Financial Reporting

There were no matters involving the internal control over financial reporting to be reported.

Compliance:

There were no compliance findings to be reported.

Management Letter:

There were no management letter items to be reported.

II. Current Year Findings and Management Corrective Action Plan:

Internal Control Over Financial Reporting

There were no matters involving the internal control over financial reporting to be reported.

Compliance:

There were no compliance findings to be reported.

Management Letter:

There were no management letter items to be reported.