

**TOWN OF POLLOCK**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**



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May 30, 2023

Independent Auditors' Report

The Honorable Mayor and  
Members of the Board of Alderman  
Town of Pollock, Louisiana

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**OPINIONS**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Pollock, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town of Pollock's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Pollock as of December 31, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**BASIS FOR OPINIONS**

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

**RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS**

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

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



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**AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

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

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

**REQUIRED SUPPLEMENTARY INFORMATION**

Accounting principles generally accepted in the United States of America require that the information listed below be presented to supplement the basic financial statements.

- Management’s Discussion and Analysis
- Statements of Revenue, Expenditures and Changes in Fund Balances (Budget vs Actual)
- Schedule of Net Pension Liability Data – Cost Sharing Retirement Systems
- Schedule of Employer Contributions – Cost Sharing Retirement Systems

Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic,

***The Honorable Mayor and  
Members of the Board of Aldermen  
May 30, 2023  
Page 3***

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or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**SUPPLEMENTARY INFORMATION**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Pollock's basic financial statements. The other supplemental information listed below is presented for purposes of additional analysis and is not a required part of the basic financial statements:

- Schedule of Compensation Paid to Board Members
- Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive
- Justice System Funding Schedule – Collecting/Disbursement Entity – Cash Basis Presentation

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS**

In accordance with Government Auditing Standards, we have also issued our report dated May 30, 2023, on our consideration of the Town of Pollock's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Pollock's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Town of Pollock's internal control over financial reporting and compliance.



Rozier, McKay & Willis  
Certified Public Accountants

# **Town of Pollock**

## ***Management's Discussion and Analysis*** ***December 31, 2022***

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This section of the Town of Pollock's annual financial report presents our discussion and analysis of the Town's financial performance during the fiscal year ended December 31, 2022.

### **OVERVIEW OF FINANCIAL STATEMENTS**

The basic financial statements include government-wide financial statements and fund financial statements. These two types of financial statements present the Town's financial position and results of operations from differing perspectives which are described as follows:

#### **GOVERNMENT – WIDE FINANCIAL STATEMENTS**

The government-wide financial statements report information about the Town as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the Town's assets (including infrastructure acquired after January 1, 2004) and all of the Town's liabilities (including long-term debt).

The government-wide financial statements are divided into two categories, which are described as follows:

- **Governmental Activities** – Expenses incurred in connection with providing basic services including public safety, sanitation and general administration are reported as governmental activities. The governmental activities are financed by taxes, license and permit fees, intergovernmental sources, and utility franchise arrangements.
- **Business-Type Activities** – Expenses associated with providing utility services and operating the municipal airport are recovered through fees paid by the customers that utilize these services. These activities are operated in a manner similar to commercial enterprises. Accordingly, activities associated with these services are reported as business type activities.

#### **FUND FINANCIAL STATEMENTS**

Fund financial statements provide detailed information regarding the Town's most significant activities and are not intended to provide information for the Town as a whole. Funds are accounting devices that are used to account for specific sources of funds. The Town has two types of funds that are described as follows:

- **Governmental Funds** – These funds are used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental funds use a modified accrual basis of accounting that provides a short-term view of the Town's finances. Assets reported by governmental funds are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.

# **Town of Pollock**

## **Management's Discussion and Analysis**

**December 31, 2022**

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- **Proprietary Funds** – These funds are used to account for activities that function in a manner similar to commercial enterprises. Proprietary fund financial statements typically provide a more detailed presentation of the information reported in the business-type activities portion of the government-wide financial statements.

### **FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE**

#### **NET POSITION**

A condensed version of the government-wide Statement of Net Position is presented as follows:

	<b>For the Year Ended December 31, 2022</b>			<b>For the Year Ended December 31, 2021</b>
	<b>Govern- mental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>	
<b><u>Assets:</u></b>				
Current and Other Assets	\$ 138,182	\$ 2,993,063	\$ 3,131,245	\$ 2,953,993
Internal Balances	----	----	----	----
Capital Assets	3,351,707	8,407,276	11,758,983	12,100,053
Total Assets	<u>3,489,889</u>	<u>11,400,339</u>	<u>14,890,228</u>	<u>15,054,046</u>
<b>Deferred Outflows of Resources</b>	<u>125,473</u>	<u>129,638</u>	<u>255,111</u>	<u>162,206</u>
<b><u>Liabilities:</u></b>				
Current and Other Liabilities	34,232	140,976	175,208	259,717
Long-term Liabilities	348,158	395,762	743,920	560,884
Total Liabilities	<u>382,390</u>	<u>536,738</u>	<u>919,128</u>	<u>820,601</u>
<b>Deferred Inflows of Resources</b>	<u>41,592</u>	<u>86,380</u>	<u>127,972</u>	<u>244,956</u>
<b><u>Net Position:</u></b>				
Invested in Capital Assets (Net)	3,351,707	8,407,276	11,758,983	12,100,053
Restricted	----	97,899	97,899	99,907
Unrestricted	(160,327)	2,401,684	2,241,357	1,950,735
Total Net Position	<u>\$ 3,191,380</u>	<u>\$ 10,906,859</u>	<u>\$ 14,098,239</u>	<u>\$ 14,150,695</u>

As the presentation appearing above demonstrates, the largest portion of the Town's net position (83.41%) is invested in capital assets. Net position invested in capital assets consists of land, buildings, equipment, and any infrastructure acquired after January 1, 2004 less any debt used to acquire the assets that remains outstanding. The Town uses these capital assets to provide services to its citizens; consequently, these amounts are not available for future spending. An additional portion of the net position (0.70%) is subject to restrictions that the funds be used for Airport Operations. The remaining unrestricted net position (15.89%) may be used to meet the Town's ongoing obligations to citizens and creditors.

# **Town of Pollock**

## ***Management's Discussion and Analysis*** ***December 31, 2022***

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### **CHANGES IN NET POSITION**

A condensed version of the government-wide Statement of Changes in Net Position is presented as follows:

	<b><u>For the Year Ended December 31, 2022</u></b>			<b><u>For the</u></b>
	<b><u>Govern- mental Activities</u></b>	<b><u>Business- Type Activities</u></b>	<b><u>Total</u></b>	<b><u>Year Ended December 31, 2021</u></b>
<b><u>Revenues:</u></b>				
Program Revenue:				
Charges for Services	\$ 383,611	\$ 2,111,904	\$ 2,495,515	\$ 2,576,087
Operating Grants and Contributions	101,574	----	101,574	185,530
Capital Grants and Contributions	----	----	----	----
General Revenue:				
Property Taxes	----	----	----	----
Sales Taxes	126,164	----	126,164	116,767
Franchise Taxes	28,608	----	28,608	23,151
Licenses & Permits	48,091	----	48,091	46,504
Other	87,570	18,337	105,907	88,527
Total Revenue	<u>775,618</u>	<u>2,130,241</u>	<u>2,905,859</u>	<u>3,036,566</u>
<b><u>Program Expenses:</u></b>				
General Government	508,064	----	508,064	419,791
Public Safety				
Police Department	454,664	----	454,664	319,313
Public Works				
Roads and Bridges	34,567	----	34,567	23,610
Sanitation	----	----	----	----
Utility Service	----	1,950,319	1,950,319	1,851,962
Airport	----	10,701	10,701	74,562
Total Expenses	<u>997,295</u>	<u>1,961,020</u>	<u>2,958,315</u>	<u>2,689,238</u>
Increase in Net Position Before				
Transfers and Special Items	(221,677)	169,221	(52,456)	347,328
Transfers	351,071	(351,071)	----	----
Change in Net Position	<u>129,394</u>	<u>(181,850)</u>	<u>(52,456)</u>	<u>347,328</u>
Net Position Beginning	3,061,986	11,088,709	14,150,695	13,803,367
Net Position Ending	<u>\$ 3,191,380</u>	<u>10,906,859</u>	<u>\$ 14,098,239</u>	<u>\$ 14,150,695</u>

Governmental activities increased the Town's net position by \$129,394. Business-type activities decreased the Town's net position by \$181,850.

# **Town of Pollock**

## ***Management's Discussion and Analysis*** ***December 31, 2022***

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### **FINANCIAL ANALYSIS OF THE TOWN'S FUNDS**

The Town's general fund, which is available for spending at the Town's discretion, reported a fund balance of \$103,950 which represents an increase of \$57,977 in comparison to the previous balance. Differences between fund balances and net position reported for governmental activities are attributable to including capital assets in the determination of net position, and the inclusion of long-term retirement obligations.

Amounts reported for business-type activities in the Town's individual funds are identical to the business-type activities reported in the government-wide presentation.

### **GENERAL FUND BUDGET HIGHLIGHTS**

The Town's general fund is required to adopt a budget and the budget is amended as necessary. For the current year, amendments were necessary to budget for an increase in collection of fines and forfeitures and increases in general government expenditures. These increases in expenses and increases in revenues were not anticipated when the original budget was prepared. In the current year the Town's revenues and other sources were less than budgeted amounts by \$351,391. The Town's expenses and other uses were less than budgeted expenses by \$455,341. Budget variances for revenues and other sources were not within the range allowed by Louisiana Revised Statutes.

### **CAPITAL ASSET ADMINISTRATION**

Capital asset activity for the year ended December 31, 2022 consisted of upgrades to the park, new recreation equipment, two new town vehicles, and various upgrades to the utility system.

### **DEBT ADMINISTRATION**

The Town of Pollock had no outstanding debt issuances as of December 31, 2022.

# **Town of Pollock**

## **STATEMENT OF NET POSITION**

**December 31, 2022**

	Governmental Activities	Business-Type Activities	Total
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$ 107,210	\$ 2,411,187	\$ 2,518,397
Receivables	30,972	526,701	557,673
Restricted Cash	-	55,175	55,175
Internal Balances	-	-	-
Capital Assets			
Non Depreciable Capital Assets	347,407	20,600	368,007
Depreciable Capital Assets, Net	3,004,300	8,386,676	11,390,976
<b>Total Assets</b>	<u>3,489,889</u>	<u>11,400,339</u>	<u>14,890,228</u>
<b><u>DEFERRED OUTFLOWS</u></b>			
Pension Funding Deferrals	125,473	129,638	255,111
<b><u>LIABILITIES</u></b>			
Cash Overdraft	-	-	-
Accounts and Other Payables	34,232	85,801	120,033
Retainage Payable	-	-	-
Liabilities Payable from Restricted Assets	-	-	-
Deposits Due Others	-	55,175	55,175
Aggregate Net Pension Liability	348,158	395,762	743,920
<b>Total Liabilities</b>	<u>382,390</u>	<u>536,738</u>	<u>919,128</u>
<b><u>DEFERRED INFLOWS</u></b>			
Pension Funding Deferrals	41,592	86,380	127,972
<b><u>NET POSITION</u></b>			
Invested in Capital Assets, Net of Related Debt	3,351,707	8,407,276	11,758,983
Restricted For:			
Airport Operations	-	97,899	97,899
Unrestricted	(160,327)	2,401,684	2,241,357
<b>Total Net Position</b>	<u>\$ 3,191,380</u>	<u>\$ 10,906,859</u>	<u>\$ 14,098,239</u>

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

# **Town of Pollock**

## **STATEMENT OF ACTIVITIES**

**Year Ended December 31, 2022**

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Governmental Activities	Business- Type Activities	Total
<b><u>Governmental Activities:</u></b>							
General Government	\$ 508,064	\$ -	\$ 88,724	\$ -	\$ (419,340)	\$ -	\$ (419,340)
Public Safety - Police Department	454,664	383,611	12,850	-	(58,203)	-	(58,203)
Streets, Drainage and Recreation	34,567	-	-	-	(34,567)	-	(34,567)
Sanitation	-	-	-	-	-	-	-
Total Governmental Activities	<u>997,295</u>	<u>383,611</u>	<u>101,574</u>	<u>-</u>	<u>(512,110)</u>	<u>-</u>	<u>(512,110)</u>
<b><u>Business-Type Activities:</u></b>							
Utility System	1,950,319	2,107,704	-	-	-	157,385	157,385
Municipal Airport	10,701	4,200	-	-	-	(6,501)	(6,501)
Total Business-Type Activities	<u>1,961,020</u>	<u>2,111,904</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,884</u>	<u>150,884</u>
Total Primary Government	<u>\$ 2,958,315</u>	<u>\$ 2,495,515</u>	<u>\$ 101,574</u>	<u>\$ -</u>	<u>(512,110)</u>	<u>150,884</u>	<u>(361,226)</u>
<b><u>General Revenues:</u></b>							
Taxes:							
Ad Valorem					-	-	-
Sales Taxes					126,164	-	126,164
Franchise					28,608	-	28,608
Licenses and Permits					48,091	-	48,091
Miscellaneous					87,570	18,337	105,907
Internal Transfers					351,071	(351,071)	-
Total General Revenues					<u>641,504</u>	<u>(332,734)</u>	<u>308,770</u>
Change in Net Position					129,394	(181,850)	(52,456)
Net Position Beginning					3,061,986	11,088,709	14,150,695
Net Position Ending					<u>\$ 3,191,380</u>	<u>\$ 10,906,859</u>	<u>\$ 14,098,239</u>

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

# **Town of Pollock**

## **Balance Sheet**

**Governmental Funds - December 31, 2022**

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	General Fund	Capital Projects	Total Governmental Funds
<b>Assets</b>			
Cash and Cash Equivalents	\$ 107,210	\$ -	\$ 107,210
Restricted Cash	-	-	-
Receivables (Net)	30,972	-	30,972
Interfund Receivables	-	-	-
<b>Total Assets</b>	<u>138,182</u>	<u>-</u>	<u>138,182</u>
<b>Liabilities and Fund Balance</b>			
<b><u>Liabilities</u></b>			
Accounts Payable	34,232	-	34,232
Retainage Payable	-	-	-
Interfund Payables	-	-	-
<b>Total Liabilities</b>	<u>34,232</u>	<u>-</u>	<u>34,232</u>
<b><u>Fund Balance</u></b>			
Assigned			
Capital Projects Funds	-	-	-
Unassigned			
General Fund	<u>103,950</u>	<u>-</u>	<u>103,950</u>
<b>Total Fund Balances</b>	<u>103,950</u>	<u>-</u>	<u>103,950</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 138,182</u>	<u>\$ -</u>	<u>\$ 138,182</u>

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

# **Town of Pollock**

## ***Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Position of Governmental Activities on the Statement of Net Position***

***Year Ended December 31, 2022***

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Total Fund Balances- Governmental Funds	\$ 103,950
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	3,351,707
Liabilities not due and payable in the current period are excluded from the Governmental Fund Balance Sheet	<u>(264,277)</u>
Net Position of Governmental Activities	<u>\$3,191,380</u>

# **Town of Pollock**

## **Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds - Year Ended December 31, 2022**

	General Fund	General Capital Projects	Total Governmental Funds
<b>Revenues:</b>			
Taxes:			
Ad Valorem	\$ -	\$ -	\$ -
Sales	126,164	-	126,164
Franchise Taxes	28,608	-	28,608
Licenses & Permits:	48,091	-	48,091
Intergovernmental	101,574	-	101,574
Fines and Forfeitures	383,611	-	383,611
Other	87,570	-	87,570
<b>Total Revenues</b>	<u>775,618</u>	<u>-</u>	<u>775,618</u>
<b>Expenditures:</b>			
Current			
General Government	423,873	-	423,873
Public Safety - Police Department	396,694	-	396,694
Streets	34,567	-	34,567
Capital Expenditures	<u>213,578</u>	<u>-</u>	<u>213,578</u>
<b>Total Expenditures</b>	<u>1,068,712</u>	<u>-</u>	<u>1,068,712</u>
<b>Excess (Deficiency) of     Revenues Over Expenditures</b>	(293,094)	-	(293,094)
<b>Other Financing Sources (Uses):</b>			
Operating Transfers In	351,071	-	351,071
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	57,977	-	57,977
<b>Fund Balance (Deficit) -     Beginning of Year</b>	<u>45,973</u>	<u>-</u>	<u>45,973</u>
<b>Fund Balance (Deficit) -     End of Year</b>	<u>\$ 103,950</u>	<u>\$ -</u>	<u>\$ 103,950</u>

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

# **Town of Pollock**

## **Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities**

**Year Ended December 31, 2022**

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Net change in fund balances of Governmental Funds	\$ 57,977
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period, as well as loss on disposals.	106,006
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures by governmental funds	<u>(34,589)</u>
Change in net position of governmental activities	<u>\$ 129,394</u>

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

# **Town of Pollock**

## **Statement of Net Position**

### **Proprietary Funds - December 31, 2022**

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Utility</u>	<u>Non-Major</u>	
	<u>System</u>	<u>Fund</u>	<u>Total</u>
<b><u>ASSETS:</u></b>			
Current Assets:			
Cash and Cash Equivalents	\$ 2,313,288	\$ 97,899	\$ 2,411,187
Receivables (Net)	526,701	-	526,701
Restricted Assets:			
Cash and Cash Equivalents			
Meter Deposits	55,175	-	55,175
Noncurrent Assets:			
Interfund Receivables	-	-	-
Non Depreciable Assets	20,600	-	20,600
Depreciable Assets (Net)	8,374,366	12,310	8,386,676
<b>Total Assets</b>	<u>11,290,130</u>	<u>110,209</u>	<u>11,400,339</u>
<b><u>DEFERRED OUTFLOWS:</u></b>			
Pension Funding Deferrals	129,638	-	129,638
<b><u>LIABILITIES:</u></b>			
Current Liabilities:			
Accounts Payable	85,801	-	85,801
Retainage Payable	-	-	-
Interfund Payables	-	-	-
Aggregate Net Pension Liability	395,762	-	395,762
Deposits Due Others	55,175	-	55,175
<b>Total Liabilities</b>	<u>536,738</u>	<u>-</u>	<u>536,738</u>
<b><u>DEFERRED INFLOWS:</u></b>			
Pension Funding Deferrals	86,380	-	86,380
<b><u>NET POSITION:</u></b>			
Invested in Capital Assets, Net of Related Debt	8,394,966	12,310	8,407,276
Restricted For:			
Airport Operations	-	97,899	97,899
Unrestricted	2,401,684	-	2,401,684
<b>Total Net Position</b>	<u>\$ 10,796,650</u>	<u>\$ 110,209</u>	<u>\$ 10,906,859</u>

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

# **Town of Pollock**

## **Statement of Revenues, Expenses and Changes in Fund Net Position Proprietary Funds - December 31, 2022**

	Business-Type Activities - Enterprise Funds		
	Utility System	Non-Major Fund	Total
<b><u>Operating Revenues:</u></b>			
Charges for Services	\$ 2,107,704	\$ 4,200	\$ 2,111,904
Other	-	-	-
<b>Total Operating Revenues</b>	<u>2,107,704</u>	<u>4,200</u>	<u>2,111,904</u>
<b><u>Operating Expenses:</u></b>			
Salaries and Benefits	776,576	-	776,576
Legal and Professional	22,941	5,880	28,821
Repairs and Maintenance	211,489	-	211,489
Supplies and Chemicals	119,346	83	119,429
Office	23,040	-	23,040
Utilities and Telephone	218,876	528	219,404
Depreciation Expense	<u>578,051</u>	<u>4,210</u>	<u>582,261</u>
<b>Total Operating Expenses</b>	<u>1,950,319</u>	<u>10,701</u>	<u>1,961,020</u>
<b>Operating Income (Loss)</b>	157,385	(6,501)	150,884
<b><u>Nonoperating Revenues (Expenses):</u></b>			
Interest Income	18,054	283	18,337
Interest Expense	-	-	-
Contributed Capital	-	-	-
<b>Change in Net Position Before Contributions and Transfers</b>	175,439	(6,218)	169,221
<b><u>Special Items and Transfers:</u></b>			
Operating Transfers In (Out)	<u>(351,071)</u>	<u>-</u>	<u>(351,071)</u>
<b>Change in Net Position</b>	(175,632)	(6,218)	(181,850)
<b>Total Net Position - Beginning</b>	<u>10,972,282</u>	<u>116,427</u>	<u>11,088,709</u>
<b>Total Net Position - Ending</b>	<u>\$ 10,796,650</u>	<u>\$ 110,209</u>	<u>\$ 10,906,859</u>

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

# **Town of Pollock**

## **Statement of Cash Flows**

### **Proprietary Funds - Year Ended December 31, 2022**

	Business-Type Activities - Enterprise Funds		
	Utility	Non-Major	Total
	System	Fund	
<b><u>Cash Flow from Operating Activities:</u></b>			
Cash Received from Customers	\$ 1,982,351	\$ 4,200	\$ 1,986,551
Cash Payments to Suppliers of Goods and Services	(615,133)	(16,691)	(631,824)
Cash Payments to Employees for Services	(776,576)	-	(776,576)
Changes in Pension Liability	(61,442)	-	(61,442)
Net Cash Provided (Used) by Operating Activities	<u>529,200</u>	<u>(12,491)</u>	<u>516,709</u>
<b><u>Cash Flows from Non-Capital Financing Activities:</u></b>			
Repayment of Advance	-	-	-
Change in Interfund Balances	-	-	-
Operating Transfers In (Out)	(351,071)	-	(351,071)
Ad Valorem Taxes	-	-	-
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(351,071)</u>	<u>-</u>	<u>(351,071)</u>
<b><u>Cash Flows from Capital and Related Financing Activities:</u></b>			
Capital Expenditures	(135,185)	-	(135,185)
Debt Proceeds	-	-	-
Contributed Capital	-	10,200	10,200
Change in Accrued Loan Interest	-	-	-
Principle Paid on Long-Term Debt	-	-	-
Interest Paid on Long-Term Debt	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(135,185)</u>	<u>10,200</u>	<u>(124,985)</u>
<b><u>Cash Flows from Investing Activities:</u></b>			
Interest and Other Income	<u>18,054</u>	<u>283</u>	<u>18,337</u>
Net Cash Provided (Used) by Investing Activities	<u>18,054</u>	<u>283</u>	<u>18,337</u>
<b>Net Increase (Decrease) in Cash</b>	60,998	(2,008)	58,990
<b>Beginning Cash Balance</b>	<u>2,307,465</u>	<u>99,907</u>	<u>2,407,372</u>
<b>Ending Cash Balance</b>	<u>2,368,463</u>	<u>97,899</u>	<u>2,466,362</u>
<b>Less Restricted Cash and Cash Equivalents</b>	<u>55,175</u>	<u>-</u>	<u>55,175</u>
<b>Cash and Cash Equivalents</b>	<u>\$ 2,313,288</u>	<u>\$ 97,899</u>	<u>\$ 2,411,187</u>

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

# **Town of Pollock**

## **Statement of Cash Flows (Continued)**

### **Proprietary Funds - Year Ended December 31, 2022**

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Utility</u>	<u>Non-Major</u>	<u>Total</u>
	<u>System</u>	<u>Fund</u>	
<b><u>Reconciliation of Operating Income (Loss) to</u></b>			
<b><u>Net Cash</u></b>			
Operating Income (Loss)	\$ 157,385	\$ (6,501)	\$ 150,884
Adjustments to Reconcile Operating Income to Net Cash			
Provided by Operating Activities:			
Depreciation	578,051	4,210	582,261
(Increase) Decrease in Accounts Receivable	(127,673)	-	(127,673)
(Decrease) Increase in Accounts and Other Payables	(19,441)	(10,200)	(29,641)
(Decrease) Increase in Overall Pension Liability	(61,442)	-	(61,442)
(Decrease) Increase in Meter Deposits	<u>2,320</u>	<u>-</u>	<u>2,320</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 529,200</u>	<u>\$ (12,491)</u>	<u>\$ 516,709</u>

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

# **TOWN OF POLLOCK, LOUISIANA**

## **Notes to Financial Statements**

**December 31, 2022**

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Town of Pollock, Louisiana (the Town) was incorporated under the provisions of the Lawrason Act. The Town is governed by its Mayor and a Board of Aldermen consisting of five members. Services provided to the citizens of Pollock include but are not limited to public safety (police and fire protection), streets, sanitation, water utility service, sewer utility service, and operation of a municipal airport.

The Town's accounting policies conform to generally accepted accounting principles for governmental units. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Some of the Town's more significant accounting policies are described as follows:

#### **FINANCIAL REPORTING ENTITY**

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

Governmental Accounting Standards Board (GASB) established criteria for determining which component units should be considered part of the Town of Pollock 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. These criteria include:

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.

Based upon application of these criteria, there were no potential component units and all of the Town's activities were included in the primary government reporting entity.

# **TOWN OF POLLOCK, LOUISIANA**

## ***Notes to Financial Statements***

***December 31, 2022***

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### **BASIC FINANCIAL STATEMENTS**

The basic financial statements include both government-wide and fund financial statements. Both government-wide and fund financial statements categorize activities as either governmental activities or business-type activities, which are described as follows:

- Governmental activities involve government services that are normally supported by taxes and intergovernmental revenues.
- Business-type activities rely on fees and charges for support and operate in a manner similar to private sector enterprises.

The government-wide and fund financial statements present the Town's financial position and results of operations from differing perspectives which are described as follows:

### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The Statement of Net Position and the Statement of Activities display information about the Town as a whole. The effect of most interfund activity is eliminated from these financial statements. Furthermore, government-wide financial statements exclude any fiduciary activities which are reported in the fund financial statements.

Program revenues reported in the Statement of Activities consist of amounts that are directly associated with a governmental service or business-type activity. Program revenues include charges for services, fines, court cost, contributions associated with a particular function and most grants.

### **FUND FINANCIAL STATEMENTS**

Funds are separate accounting entities that are designed to assist with demonstrating legal compliance and segregating transactions by activity. Separate financial statements are provided for governmental funds and business-type (enterprise) funds. In addition, separate financial statements are presented for any fiduciary activities. Major individual funds are reported as separate columns in the fund financial statements. The Town's major funds are described as follows:

#### **MAJOR GOVERNMENTAL FUNDS**

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

#### **MAJOR BUSINESS-TYPE FUNDS**

Utility System – The utility system fund is used to account for the operation of the Town's water and sewer system, which is supported by user charges.

Municipal Airport – The Municipal Airport Fund is used to account for the operation of the Town's airport, which is supported by revenue generated from the Airport and surrounding property. In the current year, the Municipal Airport was classified as a non-major fund.

# **TOWN OF POLLOCK, LOUISIANA**

## ***Notes to Financial Statements***

***December 31, 2022***

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Business-Type funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services in connection with the funds ongoing operations. Principal operating revenues are charges to customers for water and sewer service.

### **BASIS OF ACCOUNTING AND MEASUREMENT FOCUS**

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements. In addition, the basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The basis of accounting and measurement focus used for various financial statement presentations are described as follows:

<b><u>Financial Statement Presentation</u></b>	<b><u>Basis of Accounting</u></b>	<b><u>Measurement Focus</u></b>
Government-Wide Financial Statements	Accrual Basis	Economic Resources
Fund Financial Statements:		
Governmental Funds	Modified Accrual Basis	Current Financial Resources
Proprietary Funds	Accrual Basis	Economic Resources
Fiduciary Funds	Accrual Basis	Economic Resources

Under the accrual basis of accounting and the economic resources measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred. Under the modified accrual basis of accounting and the current financial resources measurement focus revenue is recognized when it is considered measurable and available. Revenue is considered available if it is collected within 60 days of year end or if it is due under a cost reimbursement arrangement. In addition, expenses are generally recorded when a liability has been incurred; however, debt service, claims and judgments are recorded as expenses when payment is made. Furthermore, when the current financial resources measurement focus is used, amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure. In addition, long-term debts are excluded from amounts reported as liabilities. Proceeds from issuing long-term debt are reported as an other-financing source and repayment of long-term debt is reported as an expenditure.

### **BUDGETARY CONTROL**

The Mayor prepares an annual budget for the Town's general fund. This budget is submitted to the Board of Aldermen and an approved budget is adopted before the beginning of each fiscal year. Amended budgets are prepared prior to the conclusion of each fiscal year. The amended budgets are prepared and approved in the same manner as the original budget.

The general fund budget presents revenue and expenditures on a basis which is consistent with generally accepted accounting principles. No annual budget is required for the Town's Utility or Airport Fund.

### **CASH AND CASH EQUIVALENTS**

Amounts reported as cash and cash equivalents (restricted and unrestricted) include all cash on hand, cash in bank accounts, certificates of deposit and highly liquid investments. Credit risk associated with bank deposits is limited by requiring fiscal agent banks to pledge securities as required by State

# **TOWN OF POLLOCK, LOUISIANA**

## **Notes to Financial Statements**

**December 31, 2022**

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Law. Furthermore, interest rate risk associated with certificates of deposits is typically mitigated by purchasing instruments that mature in one year or less.

### **INTERNAL ACTIVITY:**

Interfund transactions are reported as operating transfers when the recipient fund is not expected to provide repayment. Transactions that are expected to result in repayment are reported as interfund receivables and payables. Any interfund receivables and payables that are not expected to be repaid with one year are classified as advances.

In preparing the government-wide financial statements, internal activity is eliminated to present net amounts for governmental activities and business-type activities.

### **RESTRICTED ASSETS:**

Restricted assets represent resources that must be expended in a specific manner. Restrictions of this nature are imposed by various contractual obligations including grant agreements and bond covenants. Whenever restricted assets can be used to satisfy an obligation, the restricted assets are typically consumed before utilizing any unrestricted resources.

### **CAPITAL ASSETS**

Capital assets, which include property, equipment and infrastructure acquired after January 1, 2004, are reported as assets in the applicable governmental or business-type columns in the government-wide financial statements and in the fund financial statements for proprietary funds. Assets reported in the fund financial statements for governmental funds exclude capital assets. Instead, the governmental funds report the acquisition of capital assets as expenditures rather than asset acquisitions.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value when received by the Town. Capital assets are depreciated using the straight-line method and estimated useful lives ranging from 3 to 40 years. Useful lives are selected depending on the expected durability of the particular asset.

### **COMPENSATED ABSENCES**

The Town does not accumulate unpaid vacation, sick pay, and other employee benefit amounts because employees are not allowed to carry over significant amounts.

### **NOTE 2 - CASH AND CASH EQUIVALENTS**

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

# **TOWN OF POLLOCK, LOUISIANA**

## **Notes to Financial Statements**

**December 31, 2022**

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At December 31, 2022, the Town had \$2,573,420 in deposits (\$2,677,017 collected bank balance). These deposits are secured from risk by \$250,000 of federal deposit insurance on demand deposits; \$250,000 of federal deposit insurance on the Interest-Bearing Accounts for a total of \$500,000 and \$2,279,402 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

### **NOTE 3 – RECEIVABLES**

Receivables at December 31, 2022 consisted of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>TOTAL</u>
<u>Accounts Receivable</u>			
Charges for Services	\$ ----	\$ 526,701	\$ 526,701
Franchise Taxes	7,109	----	7,109
Total Accounts Receivable	<u>7,109</u>	<u>526,701</u>	<u>533,810</u>
<u>Due From Other Governmental Units</u>			
Sales Tax	23,863	----	23,863
Other	----	----	----
Total Due From Other Governments	<u>23,863</u>	<u>----</u>	<u>23,863</u>
Receivables (Net)	<u>\$ 30,972</u>	<u>\$ 526,701</u>	<u>\$ 557,673</u>

### **NOTE 4 - LONG-TERM DEBT**

The Town of Pollock had no long-term outstanding debt or debt activity for the year ended December 31, 2022.

### **NOTE 5 – CAPITAL ASSETS**

A summary of capital transactions for the year ended December 31, 2022 follows:

	<u>Non-Depreciable Capital Assets</u>			
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
Land	\$ 207,407	\$ ----	\$ ----	\$ 207,407
Donated Property	140,000	----	----	140,000
Construction in Process	82,972	213,579	(296,551)	----
Total Governmental Activities	<u>\$ 430,379</u>	<u>\$ 213,579</u>	<u>\$ (296,551)</u>	<u>\$ 347,407</u>
<u>Business-Type Activities</u>				
Land	\$ 20,600	\$ ----	\$ ----	\$ 20,600
Construction in Process	----	----	----	----
Total Business-Type Activities	<u>\$ 20,600</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$ 20,600</u>

# **TOWN OF POLLOCK, LOUISIANA**

## **Notes to Financial Statements**

**December 31, 2022**

	<b>Depreciable Capital Assets</b>			
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Ending Balance</b>
<b><u>Governmental Activities</u></b>				
Buildings and Improvements	\$ 3,178,022	\$ 296,551	\$ ----	\$ 3,474,573
Vehicles	213,276	----	----	213,276
Furniture, Fixtures and Equipment	450,345	----	----	450,345
Accumulated Depreciation	(1,026,321)	(107,573)	----	(1,133,894)
Total Governmental Activities	<u>\$ 2,815,322</u>	<u>\$ 188,978</u>	<u>\$ ----</u>	<u>\$ 3,004,300</u>
<b><u>Business-Type Activities</u></b>				
Water Distribution System	\$ 4,354,383	\$ ----	\$ ----	\$ 4,354,383
Wastewater System	2,687,359	135,185	----	2,822,544
Prison Utility System	10,751,605	----	----	10,751,605
Airport Improvements	181,360	----	----	181,360
Accumulated Depreciation	(9,140,955)	(582,261)	----	(9,723,216)
Total Business-Type	<u>\$ 8,833,752</u>	<u>\$ (447,076)</u>	<u>\$ ----</u>	<u>\$ 8,386,676</u>

Depreciation expense charged to various functions presented on the statement of activities is presented as follows:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
General Government	\$ 89,072	\$ ----	\$ 89,072
Public Safety	18,501	----	18,501
Utility System	---	578,051	578,051
Municipal Airport	---	4,210	4,210
Total Depreciation Expense	<u>\$ 107,573</u>	<u>\$ 582,261</u>	<u>\$ 689,834</u>

### **NOTE 6 – TAXES**

#### **Ad Valorem Taxes:**

The Town bills and collects its own property taxes using the assessed values determined by the Tax Assessor of Grant Parish, if mills are levied. For the year ended December 31, 2022, the Town did not levy any mills for general corporate purposes, though it does have the authority to do so by state law.

Ad valorem taxes are assessed on a calendar year basis and are due on or before December 31 in the year the tax is levied. Revenues from ad valorem taxes are recognized as revenue in the year billed. There were no material amounts of uncollectible ad valorem taxes at December 31, 2022.

# **TOWN OF POLLOCK, LOUISIANA**

## **Notes to Financial Statements**

**December 31, 2022**

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### **Sales Taxes:**

Citizens of the Town have permanently approved a 1.0% sales tax which is to be used for General Fund expenditures. The sales taxes are collected by the Grant Parish Sheriff's Office and remitted to the Town on a monthly basis.

### **NOTE 7 - RISK MANAGEMENT**

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks of loss are covered by participation in a public entity risk pool that operates as a common insurance program and by acquiring commercial insurance coverage. Claims resulting from these risks have historically not exceeded insurance coverage.

### **NOTE 8 - PENSION PLANS**

The Town of Pollock's employees are eligible to be members of statewide retirement systems. These systems are cost-sharing, multi-employer defined benefit plans administered by separate boards of trustees. Pertinent information regarding each plan follows:

	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Municipal Employees' Retirement System	\$ 472,564	\$ 140,835	\$ 93,842
Municipal Police Employees Retirement System	271,356	114,277	34,132
Total	743,920	255,111	127,972
Portion Applicable to Business Type Activities	395,762	129,638	86,380
Portion Applicable to Governmental Type Activities	<u>\$ 348,158</u>	<u>\$ 125,473</u>	<u>\$ 41,592</u>

### **Municipal Employee's Retirement System of Louisiana**

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

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Any person eligible for membership whose first employment made him eligible for membership in the System on or after January 1, 2013 shall become a member of the MERS Plan B Tier 2. Any employee whose first employment made him eligible for membership in the system before January 1, 2013 shall become a member of MERS Plan B Tier 1. Under Plan B Tier 1, an employee can retire providing that he or she has 30 years of creditable service, or at age 60 with a minimum of 10 or more years of creditable service. Under Plan B Tier 2, an employee shall be eligible

# **TOWN OF POLLOCK, LOUISIANA**

## **Notes to Financial Statements**

**December 31, 2022**

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for retirement after age 55 with 30 years of service, 62 with 10 years of service, or 67 with 7 years of service. Generally, the monthly amount of the retirement allowance for any member of Plan B shall consist of an amount equal to two percent of the member's monthly average final compensation multiplied by his years of creditable service. Final average compensation is the average monthly earnings during the highest sixty consecutive months.

The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, accessed online at [mersla.com](http://mersla.com), or by calling (225) 925-4810.

**Funding Policy** - Under Plan B, members are required by state statute to contribute 5.0 percent of their annual covered salary and the Town of Pollock is required to contribute at an actuarially determined rate. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town of Pollock are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

**Financial Summary** – The plan description, funding policies and financial information provides a summary of the Plan provisions and finances. For additional details, the System issues an annual publicly available stand-alone financial report. The financial report includes information about the plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position. The report can be obtained on the internet at [mersla.com](http://mersla.com). The plans net pension liability was determined at June 30, 2022 (measurement date and actuarial valuation date) and details are provided as follows:

Total Pension Liability	\$ 288,388,827
Plan Fiduciary Net Position	200,590,478
Net Pension Liability	<u>87,798,349</u>
Town's Proportionate Share (Percentage)	<u>0.538236%</u>
Town's Proportionate Share (Amount)	<u>\$ 472,564</u>

The net pension liability presented above was not affected by any special funding situations. Changes in the Town's proportionate share of Plan's net pension liability during the measurement period ending June 30, 2022 are provided as follows:

# **TOWN OF POLLOCK, LOUISIANA**

## **Notes to Financial Statements**

**December 31, 2022**

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Beginning Net Pension Liability		\$	414,204
Employer Contributions			(67,226)
<u>Pension Expense</u>			
Proportionate Share of Plan Pension Expense	73,165		
Changes in Proportion	<u>(41,684)</u>		
Employee Contributions	<u>(15,641)</u>		15,840
Change in Deferred Outflows of Resources			72,439
Change in Deferred Inflows of Resources			<u>37,307</u>
Ending Net Pension Liability		\$	<u>472,564</u>

There were no changes between December 31, 2022 and the Plan's measurement date that are expected to have a significant effect on the Town's proportionate share of the collective net pension liability. Balances presented as deferred outflows of resources and deferred inflows of resources reported in connection with participation in the plan are presented as follows:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Net</b>
Differences Between Expected and Actual Experience	\$ ----	\$ 6,014	\$ (6,014)
Net Difference Between Projected and Actual			
Investment Earnings on Pension Plan Investments	86,908	----	86,908
Changes of Assumptions	5,055	----	5,055
Changes in Proportion	----	87,828	(87,828)
Employer Contributions Made After the Measurement Date	<u>48,872</u>	<u>----</u>	<u>48,872</u>
Total Deferrals	140,835	93,842	46,993
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	<u>48,872</u>	<u>----</u>	<u>48,872</u>
Deferrals Subject to Amortization	<u>\$ 91,963</u>	<u>\$ 93,842</u>	<u>\$ (1,879)</u>

Deferrals that will be amortized as a component of pension expense in future periods are summarized as follows:

<u>For the Year Ending:</u>	
June 30, 2023	\$ (23,819)
June 30, 2024	(26,410)
June 30, 2025	9,369
June 30, 2026	<u>38,981</u>
Total	<u>\$ (1,879)</u>

# **TOWN OF POLLOCK, LOUISIANA**

## **Notes to Financial Statements**

**December 31, 2022**

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A summary of the actuarial methods and assumptions used in determining the total pension liability as of the measurement date are as follows:

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal Cost
Expected Remaining Service Lives	3 years
Actuarial Assumptions:	
Investment Rate of Return	6.85 %, Net of Pension Plan Investment Expense
Inflation Rate	2.50 %
Projected Salary Increases	1 – 4 Years of Service (6.4 % Plan A, 7.4% Plan B) More than 4 years (4.5% Plan A, 4.9% Plan B)
Annuitant and Beneficiary Mortality	PubG – 2010(B) Health Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
Employee Mortality	PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
Disabled Lives Mortality	PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment mortality and future salary increases. Actuarially determined amounts regarding the net pension liability are subject to continual revision as actual results are compared to past expectations, and new estimates are made about the future. The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an experience study, for the period July 1, 2013 through June 30, 2018.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment 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.

# **TOWN OF POLLOCK, LOUISIANA**

## **Notes to Financial Statements**

**December 31, 2022**

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

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

The discount rate used to measure the total pension liability was 6.85%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to changes in the discount has been determined by measuring net pension liability at a discount rate that is one percentage point lower and one percentage point higher than the current rate. The results are presented as follows:

	<u>1% Decrease 5.85 % Discount Rate</u>	<u>Current Discount Rate 6.85%</u>	<u>1% Increase 7.85 % Discount Rate</u>
Net Pension Liability	\$ 644,192	\$ 472,564	\$ 327,404

### **Municipal Police Employees' Retirement System of Louisiana**

**Plan Description-** All full-time police department employees engaged in law enforcement are eligible to participate in the System. Employees who joined the retirement system prior to January 1, 2013 and are at least age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/2 percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

# **TOWN OF POLLOCK, LOUISIANA**

## **Notes to Financial Statements**

**December 31, 2022**

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For members joining the system after January 1, 2013, eligibility for regular retirement, disability, and survivor benefits are based on Hazardous Duty and Non-Hazardous Duty Sub Plans. Under the Hazardous Duty sup-plan, a member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non-Hazardous Duty sub-plan, a member is eligible for regular retirement after he has been a member of the System and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub-plans, a member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70800-2250, assessed online at lampers.org, or by calling (225) 929-7411.

**Funding Policy-** Plan members are required by state statute to contribute either 8.0 or 10.0 percent of their annual covered salary, based upon their classification as a Hazardous Duty or Non-Hazardous Duty member, and the Town is required to contribute at an actuarially determined rate. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town's contributions to the System for the years ending December 31, 2022 were equal to the required contributions for the year.

**Financial Summary** – The plan description, funding policies and financial information provides a summary of the Plan provisions and finances. For additional details, the System issues an annual publicly available stand-alone financial report. The financial report includes information about the plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position. The report can be obtained on the internet at lampers.org. The plans net pension liability was determined at June 30, 2022 (measurement date and actuarial valuation date) and details are provided as follows:

Total Pension Liability	\$ 3,500,495,219
Plan Fiduciary Net Position	2,478,317,694
Net Pension Liability	<u>1,022,177,525</u>
Town's Proportionate Share (Percentage)	0.0265469%
Town's Proportionate Share (Amount)	<u>\$ 271,356</u>

The net pension liability presented above was not affected by any special funding situations.

Changes in the Town's proportionate share of Plan's net pension liability during the measurement period ending June 30, 2022 are provided as follows:

# **TOWN OF POLLOCK, LOUISIANA**

## **Notes to Financial Statements**

**December 31, 2022**

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Beginning Net Pension Liability		\$	146,681
Employer Contributions			(24,415)
<u>Pension Expense</u>			
Changes in Proportion	32,846		
Proportionate Share of Plan Pension Expense	46,456		
Employee Contributions	<u>(5,905)</u>		73,397
Change in Deferred Outflows of Resources			(3,982)
Change in Deferred Inflows of Resources			<u>79,675</u>
Ending Net Pension Liability		\$	<u>271,356</u>

There were no changes between December 31, 2022 and the Plan's measurement date that are expected to have a significant effect on the Town's proportionate share of the collective net pension liability. Balances presented as deferred outflows of resources and deferred inflows of resources reported in connection with participation in the plan are presented as follows:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Net Deferred Resources</b>
Differences Between Expected and Actual Experience	\$ 1,338	\$ 2,212	\$ (874)
Net Difference Between Projected and Actual Investment			
Earnings on Pension Plan Investments	48,446	----	48,446
Changes of Assumptions	9,360	2,018	7,342
Changes in Proportion	35,461	29,902	5,559
Employer Contributions Made After the Measurement Date	<u>19,672</u>	<u>----</u>	<u>19,672</u>
Total Deferrals	114,277	34,132	80,145
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	<u>19,672</u>	<u>----</u>	<u>19,672</u>
Deferrals Subject to Amortization	<u>\$ 94,605</u>	<u>\$ 34,132</u>	<u>\$ 60,473</u>

Deferrals that will be amortized as a component of pension expense in future periods are summarized as follows:

<u>For the Year Ending:</u>	
June 30, 2023	\$ 34,588
June 30, 2024	(789)
June 30, 2025	1,264
June 30, 2026	<u>25,410</u>
Total	<u>\$ 60,473</u>

A summary of the actuarial methods and assumptions used in determining the total pension liability as of the measurement date are as follows:

# **TOWN OF POLLOCK, LOUISIANA**

## **Notes to Financial Statements**

**December 31, 2022**

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Valuation Date	June 30, 2022	
Actuarial Cost Method	Entry Age Normal Cost	
Investment Rate of Return	6.750% per annum, net of investment expense	
Expected Remaining Service Lives	4 Years	
Inflation Rate	2.50 % per annum	
Projected Salary Increases Including Inflation and Merit	<u>Years of Service</u>	<u>Salary Growth Rate</u>
	1-2	12.30 %
	3-Over	4.70 %
Mortality	Healthy Annuitants/ Beneficiaries	PUB-2010, 115% Adj. for M, 125% Adj. for F
	Disabled Annuitants	Pub-2010, 105% Adj. for M, 115% Adj. for F
	Active Members	Pub-2010, 115% Adj. for M, 125% Adj. for F

The actuarial assumptions in the June 30, 2022 actuarial funding valuation and were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019. In cases where benefit structures were changed after the study period, assumptions were based on estimates of future experience.

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period July 1, 2014 through June 30, 2019 and review of similar law enforcement mortality. A change was made for generational mortality which combines the use of a base mortality table with appropriate mortality improvement scales. In order to set the base mortality table, actual plan mortality experience was assigned a credibility weighting and combined with a standard table to produce current levels of mortality.

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

# **TOWN OF POLLOCK, LOUISIANA**

## **Notes to Financial Statements**

**December 31, 2022**

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<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Equity	55.50 %	3.60 %
Fixed Income	30.50 %	0.85 %
Alternatives	14.00 %	0.95 %
Other	<u>0.00 %</u>	<u>0.00 %</u>
Totals	100.00 %	5.40 %
Inflation		2.66 %
Nominal Return		8.06 %

The discount rate used to measure the total pension liability was 6.750%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to changes in the discount has been determined by measuring net pension liability at a discount rate that is one percentage point lower and one percentage point higher than the current rate. The results are presented as follows:

	<u>1% Decrease 5.75% Discount Rate</u>	<u>Current Discount Rate 6.75%</u>	<u>1% Increase 7.75% Discount</u>
Net Pension Liability	\$ 379,848	\$ 271,356	\$ 180,732

### **NOTE 9 - RESTRICTED RESOURCES**

Restrictions on the Town's resources imposed by various laws, regulations, contracts and grants are summarized as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Restricted Cash	\$ ----	\$ 55,175
Liabilities Payable from Restricted Assets	----	<u>(55,175)</u>
Total Restricted Retained Earnings	<u>\$ ----</u>	<u>\$ ----</u>

# **TOWN OF POLLOCK, LOUISIANA**

## ***Notes to Financial Statements***

***December 31, 2022***

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The Town also operates a municipal airport on property that was originally provided by Federal sources. Restrictions imposed by the donor require resources generated by the property to be used solely for operation of the Airport and maintenance of the property. Accordingly, resources held by the Municipal Airport Fund in the amount of \$97,899 have been classified as restricted.

### **NOTE 10 – CONTINGENCIES**

Portions of the Town's Utility Systems are located in the right of way of various state roads. In connection with improvements to the State Highway System, it has been necessary for the town to relocate portions of its service lines. In order to assist with the financial burdens of line relocation, the state has provided Utility Relocation Assistance Funds (URAF) to the town. The URAF program states that such assistance is not a loan and the town is not currently required to repay or reimburse the state for this funding. The town may eventually be required to reimburse/repay these funds in order for the town to have access to state owned right of ways in the future. For the years ended December 31, 2002 and 2003, the town received \$120,058 in URAF assistance. The amount of URAF assistance the town has received in years prior to 2002 cannot presently be determined.

### **NOTE 11 – INTERNAL ACTIVITY**

The Utility System transferred \$351,071 to the General Fund for the year ended December 31, 2022. As there is no expectation of repayment, the amount has been classified as an operating transfer.

### **NOTE 13 – GRANT REVENUES**

During the year ended December 31, 2022 the Town received \$88,724 in funding from the American Rescue Plan Act.

# **Town of Pollock**

## **General Fund**

### **Statement of Revenues, Expenditures and Changes in Fund Balances**

**(Budget and Actual) - Year Ended December 31, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Taxes:				
Ad Valorem	\$ -	\$ -	\$ -	\$ -
Sales Tax	120,000	125,000	126,164	1,164
Franchise Taxes	20,000	30,000	28,608	(1,392)
License & Permits:	52,500	50,000	48,091	(1,909)
Intergovernmental	12,321	48,000	101,574	53,574
Fines and Forfeitures	250,000	385,000	383,611	(1,389)
Interest	80	80	-	(80)
Other	92,000	90,000	87,570	(2,430)
<b>Total Revenues</b>	<u>546,901</u>	<u>728,080</u>	<u>775,618</u>	<u>47,538</u>
<b>General Government:</b>				
Current				
General Government	731,500	1,018,353	423,873	594,480
Public Safety- Police Department	336,700	501,500	396,694	104,806
Sanitation	3,200	4,200	-	4,200
Streets	-	-	34,567	(34,567)
Capital Expenditures	-	-	213,578	(213,578)
<b>Total Expenditures</b>	<u>1,071,400</u>	<u>1,524,053</u>	<u>1,068,712</u>	<u>455,341</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(524,499)	(795,973)	(293,094)	502,879
<b>Other Financing Sources (Uses):</b>				
Operating Transfers In	524,499	750,000	351,071	(398,929)
Operating Transfers Out	-	-	-	-
<b>Net Change in Fund Balances</b>	-	(45,973)	57,977	103,950
<b>Fund Balance (Deficit) - Beginning of Year</b>	-	45,973	45,973	-
<b>Fund Balance (Deficit) - End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,950</u>	<u>\$ 103,950</u>

# **TOWN OF POLLOCK**

## ***Schedule of Net Pension Liability Data Cost Sharing Retirement Systems***

Retirement System / Measurement Date	Share of Collective Net Pension Liability		Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll	Pension Plans Fiduciary Net Position as a Percentage of Total Pension Liability
	Percent	Amount			
	<b>Municipal Employees' Retirement System</b>				
June 30, 2015	0.59%	403,940	208,891	193.4%	76.9%
June 30, 2016	0.59%	486,821	431,495	112.8%	62.1%
June 30, 2017	0.67%	582,922	467,750	124.6%	63.5%
June 30, 2018	0.67%	565,828	514,383	110.0%	65.6%
June 30, 2019	0.71%	619,559	541,408	114.4%	66.1%
June 30, 2020	0.72%	651,572	557,198	116.9%	66.3%
June 30, 2021	0.71%	414,202	549,486	75.4%	79.1%
June 30, 2022	0.54%	472,564	432,724	109.2%	69.6%
<b>Municipal Police Employees' Retirement System</b>					
June 30, 2015	0.03%	242,619	84,242	288.0%	75.1%
June 30, 2016	0.03%	284,944	81,123	351.3%	66.0%
June 30, 2017	0.03%	261,433	69,680	375.2%	70.08%
June 30, 2018	0.01%	86,739	52,335	165.7%	71.89%
June 30, 2019	0.02%	145,752	52,335	278.5%	71.01%
June 30, 2020	0.03%	307,372	102,714	299.3%	70.94%
June 30, 2021	0.03%	146,681	91,675	160.0%	84.09%
June 30, 2022	0.03%	271,356	79,650	340.7%	70.80%

### Notes to Schedule

At the present time, management has not identified any factors that are expected to significantly affect trends in the amounts reported above

# **TOWN OF POLLOCK**

## ***Schedule of Employer Contributions Cost Sharing Retirement Systems***

Retirement System / Fiscal Year Ending	Statutorily Required Employer Contributions	Contributions Recognized By the Pension Plan	Difference Between Required and Recognized Contributions	Covered Payroll	Contributions Recognized as a Percentage of Covered Payroll
<b>Municipal Employees' Retirement System</b>					
June 30, 2015	39,167	39,167	-	208,891	18.75%
June 30, 2016	40,992	40,992	-	431,495	9.50%
June 30, 2017	56,909	56,909	-	467,750	12.17%
June 30, 2018	70,114	70,114	-	514,383	13.63%
June 30, 2019	75,777	75,777	-	541,408	14.00%
June 30, 2020	78,008	78,008	-	557,198	14.00%
June 30, 2021	85,171	85,171	-	549,486	15.50%
June 30, 2022	67,072	67,072	-	432,724	15.50%
<b>Municipal Police Employees' Retirement System</b>					
June 30, 2015	26,115	26,115	-	84,242	31.00%
June 30, 2016	25,148	25,148	-	81,123	31.00%
June 30, 2017	21,863	21,863	-	69,680	31.38%
June 30, 2018	16,496	16,496	-	52,335	31.52%
June 30, 2019	16,180	16,180	-	52,335	30.92%
June 30, 2020	33,385	33,385	-	102,714	32.50%
June 30, 2021	28,333	28,333	-	91,675	30.91%
June 30, 2022	23,696	24,381	(685)	79,650	30.61%

# **Town of Pollock**

## ***Schedule of Compensation Paid to Board Members For the Year Ended December 31, 2022***

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Douglas Beavers	\$ 9,000
Michael Cryer	1,250
Cynthia Dickey	3,000
Misty Kinn	3,000
Sheldon Smith	3,000
Darlene Thorne	3,000
Kassandra Hooter	1,500
Total	<u>\$ 23,750</u>

# **Town of Pollock**

## ***Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer For the Year Ended December 31, 2022***

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<b><u>Purpose</u></b>	<b><u>Douglas Beavers</u></b>
Salary	\$ 9,000
Health Insurance	5,275
Payroll Taxes	689
Reimbursements	-

Louisiana Law requires reporting compensation, benefits and reimbursements provided for the Agency Head or Chief Executive Officer.

## **Town of Pollock**

**Justice System Funding Schedule - Collecting / Disbursing Entity**  
**As Required by Act 87 of the 2020 Regular Legislative Session -**  
**Cash Basis Presentation**  
**For the Year Ended December 31, 2022**

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	<b>First Six Month Period Ended June 30, 2022</b>	<b>Second Six Month Period Ended December 31, 2022</b>
<b>Beginning Balance of Amounts Collected</b>	<u>\$ -</u>	<u>\$ -</u>
Add: Collections		
Criminal Court Costs/Fines	<u>230,972</u>	<u>152,639</u>
Subtotal Collections	<u>230,972</u>	<u>152,639</u>
Less: Disbursements to Governments & Nonprofits		
North Louisiana Crime Lab - Court Cost	170	650
State of Louisiana - CMIS Assessment	313	934
Louisiana Commission on Law Enforcement - Court Cost	614	1,831
Louisiana Supreme Court Assessment	157	467
Dept. of Health and Hospitals - Head Injury Fund	1,040	3,250
Central Louisiana Juvenile Detention Facility	2,348	7,005
Less: Amounts Retained by Town of Pollock		
Self Disbursed Court Cost	226,330	138,502
Subtotal Disbursements / Retainage	<u>230,972</u>	<u>152,639</u>
<b>Ending Balance of Amounts Collected but not Disbursed</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>



**INDEPENDENT AUDITOR'S 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**

May 30, 2023

The Honorable Mayor and  
Members of the Board of Aldermen  
Town of Pollock, 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, each major fund and the aggregate remaining fund information of the Town of Pollock, Louisiana, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town of Pollock's basic financial statements and have issued our report thereon dated May 30, 2023.

**Internal Control Over Financial Reporting**

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

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

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

**COMPLIANCE AND OTHER MATTERS**

As part of obtaining reasonable assurance about whether the Town of Pollock'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 four instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. These findings are described in the accompanying schedule of findings as 2022-001, 2022-002, 2022-003, and 2022-004.

-Members-

American Institute of Certified Public Accountants • Society of Louisiana, CPAs

**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.



Rozier, McKay & Willis  
Certified Public Accountants

Alexandria, Louisiana  
May 30, 2023

# **TOWN OF POLLOCK**

## **Schedule of Findings**

### **For the Year Ended December 31, 2022**

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#### **PART I - SUMMARY OF AUDITOR'S RESULTS:**

- The Independent Auditor's Report on the primary government financial statements for the Town of Pollock as of December 31, 2022 and for the year then ended expressed an unmodified opinion.
- The results of the audit disclosed four instances (2022-001, 2022-002, 2022-003, and 2022-004) of noncompliance that are considered to be material to the financial statements of the Town of Pollock.
- The results of the audit did not disclose any significant deficiencies over internal controls.

#### **PART II - FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS:**

##### **Finding 2022-001: Budget Violation**

- Criteria: For revenues and other sources, state law prohibits unfavorable budget variances from exceeding 5%.
- Condition: In the current year, unfavorable variances exceeded 5%.
- Effect: The Town was not in compliance with the Louisiana Government Budget Act
- Cause: An appropriate amendment was not made to the budget once the Town of Pollock realized that unfavorable variances exceeded 5% of budgeted amounts
- Recommendation: The Town of Pollock should implement policies and procedures to ensure that the budget is amended whenever variances exceed amounts allowed by the Louisiana Government Budget Act.

##### **Finding 2022-002: Payroll Reporting**

- Criteria: Federal Law requires employers to remit payment for employment taxes, as well as federal taxes withheld from the payroll checks of employees by required deadlines. In addition, certain payroll forms are required to be filed with the Federal government and the State of Louisiana by specified deadlines.
- Condition: The Town did not file all payroll reports in a timely manner.
- Effect: The Town was not in compliance with various federal and state statutes.
- Cause: The employees responsible for making these required payments and filing these required forms were unaware of certain aspects of the Town's accounting software.

**TOWN OF POLLOCK**  
**Schedule of Findings (Continued)**  
**For the Year Ended December 31, 2022**

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- Recommendation: We recommend that the Town require its employees to undertake sufficient training to execute these tasks timely, and become familiar with the Town's accounting system. Alternatively, we encourage the adoption of a third-party payroll processing company to assist with these requirements.

**Finding 2022-003: Cost-Sharing Retirement Systems**

- Criteria: Louisiana Revised Statutes require participants in the state-wide cost-sharing retirement systems to contribute amounts by certain deadlines, and to file monthly reports in a timely fashion.
- Condition: The Town did not make all required payments by required deadlines, and did not file all monthly reports on time.
- Effect: The Town was not in compliance with various Louisiana Revised Statutes.
- Cause: The employees responsible for making these required payments and filing these required forms were unaware of some reporting requirements.
- Recommendation: We recommend that the Town require its employees to undertake sufficient training to execute these tasks timely. Alternatively, we encourage the adoption of a third-party payroll processing company to assist with these requirements.

**Finding 2022-004: Costs Collected on Behalf of Other Entities**

- Criteria: Louisiana Revised Statutes require the Town to remit certain fees, fines, and court costs, and file certain monthly reports to various agencies whenever fines are collected by the Town.
- Condition: The previous fines clerk did not remit all required amounts collected on behalf of these agencies in a timely manner, and did not file all required forms.
- Effect: The Town was not in compliance with Louisiana Revised Statutes.
- Cause: Town personnel did not make all payments in a timely manner, and did not file all required reports.
- Recommendation: We recommend that the Town prioritize making these payments and filing these reports in the future.

**Town of Pollock**  
**Management's Corrective Action Plan**  
**December 31, 2022**

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**SECTION I**  
**INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS**

<b>FINDINGS:</b>	<b>RESPONSE:</b>
<p><b><u>Finding 2022-001: Budget Violation</u></b>            In the current year, General Fund actual revenues and other sources were less than budgeted amounts by a greater variance than allowed by the Louisiana Local Government Budget Act.</p>	<p><b><u>Response:</u></b>            In the current year, the Town anticipated that the General Fund would need \$750,000 in operating transfers from the Utility Fund, primarily for capital projects. However, due to efficient management of our resources, the General Fund only required \$351,071 in operating transfers. In the future we will monitor our budget more closely, to ensure budgetary compliance.</p>
<p><b><u>Finding 2022-002: Payroll Reporting</u></b>            The Town did not file all required payroll reports to various taxing authorities timely.</p>	<p><b><u>Response:</u></b>            The Town Clerk prepared all of the required payroll reports timely, and paid all taxes timely; she only failed to electronically file the reports. When she became aware of the mistake, she immediately submitted the reports, and received additional training on the Town's bookkeeping software.</p>
<p><b><u>Finding 2022-003: Retirement System</u></b>            The Town participates in two state-wide multi-employer cost sharing retirement systems. As a participant, the Town is required to make payments by required deadlines, and file monthly reports in a timely manner. The Town did not remit all payments or file all reports timely.</p>	<p><b><u>Response:</u></b>            The Town Clerk did not make all required payments one month of the year. All of the other payments and reports were filed timely. We have instituted a tickler system to prevent similar incidents in the future.</p>
<p><b><u>Finding 2022-004: Collections on Behalf of Others</u></b>            The Town did not remit all required amounts collected on behalf of other agencies in a timely manner, and did not file all required forms.</p>	<p><b><u>Response:</u></b>            When our fines clerk discovered that the Town wasn't remitting all required fees related to traffic tickets, we brought it to the attention of our auditors immediately, and promptly submitted all amounts due. We will ensure that in the future, we will file all required reports timely.</p>

**SECTION II**  
**MANAGEMENT LETTER**

<b><u>N/A – No Management Letter Issued</u></b>	<b><u>Response – N/A</u></b>
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**Town of Pollock**  
**Summary of Prior Year Findings**  
**December 31, 2022**

<b>SECTION I</b> <b>INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.</b>	
<b>FINDINGS:</b>	<b>RESPONSE:</b>
<p><b><u>Finding 2021-001: Budget Violation</u></b>            In the current year, General Fund actual revenues and other sources were less than budgeted amounts by a greater variance than allowed by the Louisiana Local Government Budget Act.</p> <p><b><u>Finding 2021-002: Improper Payment</u></b>            The Town advanced payment to the Council and Mayor, a violation of Revised Statutes. In addition, the previous Town Clerk paid the health insurance of a terminated employee for several months, as well as the life insurance of a deceased official.</p> <p><b><u>Finding 2021-003: Payroll Reporting</u></b>            The Town did not make all required payroll tax deposits in the current year, and did not file all required payroll reports to various taxing authorities.</p> <p><b><u>Finding 2021-004: Retirement System</u></b>            The Town participates in two state-wide multi-employer cost sharing retirement system. As a participant, the Town is required to make payments by required deadlines, and file monthly reports in a timely manner. The Town did not remit all payments or file all reports</p> <p><b><u>Finding 2021-005: Controls Over Citations</u></b>            In the current year, a data entry error caused the Town to process a juvenile ticket, in violation of Revised Statutes.</p> <p><b><u>Finding 2021-006: Collections on Behalf of Others</u></b>            The Town did not remit all required amounts collected on behalf of other agencies in a timely manner, and did not file all required forms.</p>	<p><b><u>Unresolved: See Finding 2022-001</u></b></p> <p><b><u>Resolved</u></b></p> <p><b><u>Unresolved: See Finding 2022-002</u></b></p> <p><b><u>Unresolved: See Finding 2022-003</u></b></p> <p><b><u>Resolved</u></b></p> <p><b><u>Unresolved: See Finding 2022-004</u></b></p>
<b>SECTION II</b> <b>MANAGEMENT LETTER</b>	
<b><u>N/A – No Management Letter Issued</u></b>	<b><u>Response – N/A</u></b>

**APPENDIX A**  
**Statewide Agreed-Upon Procedures**



Independent Accountant's Report  
On Applying Agreed-Upon Procedures

To the Town of Pollock and  
the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Town of Pollock (the Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2022 through December 31, 2022. The Entity's management is responsible for those C/C areas identified in the SAUPs.

The entity has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period described above. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

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

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

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

Rozier, McKay & Willis  
Certified Public Accountants  
Alexandria, Louisiana  
May 30, 2023

**Town of Pollock**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

<b>Written Policies and Procedures</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>1 Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories.</p> <ul style="list-style-type: none"> <li>• Budgeting</li> <li>• Purchasing</li> <li>• Disbursements</li> <li>• Receipts</li> <li>• Payroll/Personnel</li> <li>• Contracting</li> <li>• Credit Cards</li> <li>• Travel and expense reimbursements</li> <li>• Ethics</li> <li>• Debt Service</li> <li>• Disaster Recovery / Business Continuity</li> <li>• Sexual Harassment</li> </ul>	<p>The Entity has written policies that covered each of the required elements for the following categories:</p> <ul style="list-style-type: none"> <li>• Payroll/Personnel</li> <li>• Ethics</li> </ul> <p>The Town has written policies that covered the following categories, but didn't contain all of the required elements</p> <ul style="list-style-type: none"> <li>• Purchasing</li> </ul> <p>The Town didn't have any written policies regarding the following categories</p> <ul style="list-style-type: none"> <li>• Budgeting</li> <li>• Disbursements</li> <li>• Receipts</li> <li>• Contracting</li> <li>• Credit Cards</li> <li>• Travel and expense reimbursements</li> <li>• Disaster Recovery/Business Continuity</li> <li>• Sexual Harassment</li> </ul> <p>The following categories weren't applicable to the Entity:</p> <ul style="list-style-type: none"> <li>• Debt Service</li> </ul>	<p><b><i>We will work closely with our auditors to adopt policies appropriate for an entity of our size and complexity.</i></b></p>

**Town of Pollock**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

Board (or Finance Committee)		
Agreed-Upon Procedure	Results	Managements' Response
<p>2 Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:</p> <p>a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.</p> <p>b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. <i>Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.</i></p> <p>c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.</p>	<p>The Board met with sufficient frequency</p> <p>Required financial information was presented as part of the regular meeting.</p> <p>A positive unrestricted fund balance was reported.</p>	<p><b><i>The results did not include findings or criticisms.</i></b></p> <p><b><i>The results did not include findings or criticisms.</i></b></p> <p><b><i>The results did not include findings or criticisms.</i></b></p>

**Town of Pollock**  
**Statewide Agreed-Upon Procedures**  
**Schedule of Procedures, Results and Managements' Response (Continued)**

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Board (or Finance Committee)		
Agreed-Upon Procedure	Results	Managements' Response
<p>d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.</p>	<p>The board did not receive written updates concerning the audit findings. Any discussions held to resolve the audit findings were held verbally.</p>	<p><b><i>We will work to develop written updates for the board/finance committee to update them on progress concerning resolving the audit findings.</i></b></p>

**Town of Pollock**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

<b>Bank Reconciliations</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>3 Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:</p> <p>a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);</p> <p>b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and</p> <p>c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.</p>	<p>Evidence of reconciliation within two months was present.</p> <p>Bank Reconciliations did not include any evidence of review.</p> <p>There was no documentation reflecting that the Entity had researched reconciling items that have been outstanding for more than 12 months.</p>	<p><b>The results did not include findings or criticisms.</b></p> <p><b><i>In the future, we will ensure that reconciliations are reviewed by an appropriate member of management.</i></b></p> <p><b><i>Due to the limited volume and magnitude of outstanding items, no research was considered necessary.</i></b></p>



**Town of Pollock**  
**Statewide Agreed-Upon Procedures**  
**Schedule of Procedures, Results and Managements' Response (Continued)**

<b>Collections (excluding EFTs)</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.	The Town doesn't accept currency, which mitigates risk related to segregation of duties.	<b><i>The results did not include findings or criticisms.</i></b>
c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.	The Town doesn't accept currency, which mitigates risk related to segregation of duties.	<b><i>The results did not include findings or criticisms.</i></b>
d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.	The Town doesn't accept currency, which mitigates risk related to segregation of duties.	<b><i>The results did not include findings or criticisms.</i></b>
6 Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.	All employees of the Town are covered by an employee dishonesty policy.	<b><i>The results did not include findings or criticism.</i></b>
7 Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day) . Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates		

**Town of Pollock**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

<b>Collections (excluding EFTs)</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:</p> <p>a. Observe that receipts are sequentially pre-numbered.</p> <p>b. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.</p> <p>c. Trace the deposit slip total to the actual deposit per the bank statement.</p> <p>d. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).</p> <p>e. Trace the actual deposit per the bank statement to the general ledger.</p>	<p>Receipts when required were sequentially pre-numbered.</p> <p>Documentation was consistent with deposit slips.</p> <p>The deposit slips matched the actual deposit per the bank statement.</p> <p>The deposits were made within one business day of receipt at Town Hall.</p> <p>The bank statement was consistent with the general ledger.</p>	<p><b><i>The results did not include findings or criticisms.</i></b></p>



**Town of Pollock**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

<b>Non-Payroll Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>10 For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:</p> <p style="padding-left: 20px;">a. Observe that the disbursement matched the related original invoice/billing statement.</p> <p style="padding-left: 20px;">b. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.</p> <p>11 Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.</p>	<p>Recorded amounts were supported by sufficient documentation.</p> <p>Evidence was available to demonstrate segregation of duties</p> <p>No evidence of purchase approval was available upon inspecting the supporting documents.</p>	<p><b><i>The results did not include findings or criticisms.</i></b></p> <p><b><i>The results did not include findings or criticisms.</i></b></p> <p><b><i>We will work to make sure that purchases are approved by the required number of authorized signers and that evidence is available upon inspection for electronic disbursements in the future.</i></b></p>

**Town of Pollock**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

<b>Credit Cards/Debit Cards/Fuel Cards/P-Cards</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>12 Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.</p>	<p>Management provided the list as requested.</p>	<p><b><i>The results did not include findings or criticisms.</i></b></p>
<p>13 Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:</p> <p>a. Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.</p> <p>b. Observe that finance charges and late fees were not assessed on the selected statements.</p>	<p>No evidence of review and approval was present upon inspection.</p> <p>No finance charges or late fees were present.</p>	<p><b><i>We will work to ensure that all transactions are approved and reviewed, and physical evidence of those actions are present.</i></b></p> <p><b><i>The results did not include findings or criticisms.</i></b></p>

**Town of Pollock**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

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<b>Credit Cards/Debit Cards/Fuel Cards/P-Cards</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
14 Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).	Each transaction selected was adequately documented.	<b><i>The results did not include findings or criticisms.</i></b>

**Town of Pollock**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

<b>Travel and Expense Reimbursement</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>15 Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:</p> <p>a. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (<a href="http://www.gsa.gov">www.gsa.gov</a>).</p> <p>b. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.</p> <p>c. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).</p> <p>d. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.</p>	<p>Reimbursements were consistent with per diem rates for mileage.</p> <p>Actual costs were adequately documented.</p> <p>Business purposes were documented.</p> <p>Evidence of review was not present for every transaction.</p>	<p><b><i>The results did not include findings or criticisms.</i></b></p> <p><b><i>The results did not include findings or criticisms.</i></b></p> <p><b><i>The results did not include findings or criticisms.</i></b></p> <p><b><i>We will work to ensure that evidence of review is present with all transactions. However, this risk was mitigated by requiring dual signatures on each check.</i></b></p>

**Town of Pollock**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

<b>Contracts</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>16 Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:</p> <p>a. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.</p> <p>b. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).</p> <p>c. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.</p> <p>d. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.</p>	<p>None of the selected contracts required bidding under the Louisiana Public Bid Law.</p> <p>Two of the selected contracts were not available for inspection. The remainder of the contracts were approved in accordance with policy.</p> <p>No change orders were noted for the contracts that were available for inspection.</p> <p>Payments terms were in agreement for the contracts available for review.</p>	<p><b><i>The results did not include findings or criticisms.</i></b></p> <p><b><i>We will work with our current active vendors, as well as prospective contract vendors to ensure the Town retains copies of all agreements.</i></b></p> <p><b><i>See Comments Above.</i></b></p> <p><b><i>See Comments Above.</i></b></p>

**Town of Pollock**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

<b>Payroll and Personnel</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>17 Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.</p>	<p>Paid salaries agreed to the selected employee's authorized pay rates.</p>	
<p>18 Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:</p> <p>a. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).</p> <p>b. Observe that supervisors approved the attendance and leave of the selected employees/officials.</p> <p>c. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.</p>	<p>Daily attendance and leave were not documented for the selected employees.</p> <p>There was no documentation available to demonstrate supervisor approval of attendance and leave.</p> <p>Leave records reflect amounts accumulated or paid to employees.</p>	<p><b><i>Historically, the Town hasn't required salaried employees to fill our time sheets. We will examine this policy, and determine whether there is a benefit to changing in the future.</i></b></p> <p><b><i>See Comments Above.</i></b></p> <p><b><i>The results did not include findings or criticisms.</i></b></p>
<p>19 Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials'</p>	<p>There were no employees that received termination payments during the current year.</p>	<p><b><i>The results did not include findings or criticisms.</i></b></p>

**Town of Pollock**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

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<b>Payroll and Personnel</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
authorized pay rates in the employee/officials' personnel files.  20 Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.	Management represented that not all payroll taxes and retirement contributions were paid by required deadlines, and that not all associated forms were filed by required deadlines.	<b><i>Our Town Clerk is now aware of all payroll related requirements, and is more familiar with the nuances of the Town's accounting software, and will consult with our auditors if any requirement is unclear.</i></b>

**Town of Pollock**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

<b>Ethics</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>21 Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:</p> <p style="padding-left: 20px;">a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.</p> <p style="padding-left: 20px;">b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.</p> <p>22 Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.</p>	<p>Documentation regarding ethics training was available for all of the employees selected</p> <p>Documentation that each employee read the ethics policy was unavailable.</p> <p>There is an employee in charge that looks over and ensures that employees are completing their ethics training.</p>	<p><b><i>The results did not include findings or criticisms.</i></b></p> <p><b><i>In the future, we will require all of our staff to sign off on the ethics policy on a yearly basis, and require new hires to sign off as a part of training.</i></b></p> <p><b><i>The results did not include findings or criticisms.</i></b></p>

**Town of Pollock**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

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<b>Debt Service</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
23 Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.	The Town of Pollock didn't issue any new debt, and had no debt outstanding at any point during the year.	<b><i>The results did not include findings or criticisms.</i></b>
25 Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.	See Comment Above	<b><i>The results did not include findings or criticisms.</i></b>

**Town of Pollock**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

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<b>Other</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
23 Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.	No misappropriations were reported.	<b><i>The results did not include findings or criticisms.</i></b>
26 Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.	The notice was posted on the premises and on the website.	<b><i>The results did not include findings or criticisms.</i></b>

**Town of Pollock**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

Information Technology Disaster Recovery /Business Continuity		
Agreed-Upon Procedure	Results	Managements' Response
<p>27 Perform the following procedures, <b>verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."</b></p> <p>a. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.</p> <p>b. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.</p> <p>c. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.</p>	<p>We performed the procedure and discussed the results with management.</p> <p>We performed the procedure and discussed the results with management.</p> <p>We performed the procedure and discussed the results with management.</p>	<p><b><i>The results did not include findings or criticisms.</i></b></p> <p><b><i>The results did not include findings or criticisms.</i></b></p> <p><b><i>The results did not include findings or criticisms.</i></b></p>

**Town of Pollock**  
**Statewide Agreed-Upon Procedures**  
**Schedule of Procedures, Results and Managements' Response (Continued)**

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Information Technology Disaster Recovery /Business Continuity		
Agreed-Upon Procedure	Results	Managements' Response
28 Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.	We performed the procedure and discussed the results with management.	<b><i>The results did not include findings or criticisms.</i></b>

**Town of Pollock**

**Statewide Agreed-Upon Procedures**

**Schedule of Procedures, Results and Managements' Response (Continued)**

<b>Sexual Harassment</b>		
<b>Agreed-Upon Procedure</b>	<b>Results</b>	<b>Managements' Response</b>
<p>29 Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.</p>	<p>Documentation demonstrating each employee completed at least one hour of sexual harassment training was available for four of the selected employees/officials.</p>	<p><b><i>In the future, we will require all of our staff to take sexual harassment training on a yearly basis, and require new hires to take the course as a part of training.</i></b></p>
<p>30 Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).</p>	<p>The Town doesn't have a written sexual harassment policy.</p>	<p><b><i>We will work with our auditors and Town attorney to develop a written sexual harassment policy appropriate for an entity of our size.</i></b></p>
<p>31 Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:</p> <ul style="list-style-type: none"> <li>a. Number and percentage of public servants in the agency who have completed the training requirements;</li> <li>b. Number of sexual harassment complaints received by the agency;</li> <li>c. Number of complaints which resulted in a finding that sexual harassment occurred;</li> <li>d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and</li> <li>e. Amount of time it took to resolve each complaint.</li> </ul>	<p>An annual report had not been completed.</p>	<p><b><i>The Town wasn't aware of this requirement, but will become familiar with the requirement to ensure compliance for the next reporting cycle.</i></b></p>