

**TOWN OF OAK GROVE**  
**OAK GROVE, LOUISIANA**

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**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**AS OF AND FOR THE YEAR  
ENDED JUNE 30, 2021**

**TOWN OF OAK GROVE  
OAK GROVE, LOUISIANA**

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## INDEPENDENT AUDITOR'S REPORT

**To the Honorable Adam Holland, Mayor,  
and Honorable Members of the Town Council  
Town of Oak Grove, Louisiana**

### **Report on the Financial Statements**

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

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison information (pages 40–44) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted Management's Discussion and Analysis; the Schedule of Employer's Proportionate Share of Net Pension Liability; and the Schedule of Contributions that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The Schedule Of Compensation, Benefits, Reimbursements, And Other Payments To Or On Behalf Of Agency Head; the Schedule Of Compensation To Town Council; and the Justice Funding Schedule – Collecting/Disbursing Entity are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule Of Compensation, Benefits, Reimbursements, And Other Payments To Or On Behalf Of Agency Head; the Schedule Of Compensation To Town Council; and the Justice Funding Schedule – Collecting/Disbursing Entity are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Town of Oak Grove  
Independent Auditor's Report  
June 30, 2021

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 5, 2022, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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'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's internal control over financial reporting and compliance.

BOSCH & STATHAM, LLC

A handwritten signature in blue ink that reads "Bosch & Statham".

Ruston, Louisiana  
May 5, 2022

**BASIC FINANCIAL STATEMENTS**

**TOWN OF OAK GROVE  
OAK GROVE, LOUISIANA**

**STATEMENT OF NET POSITION  
AS OF JUNE 30, 2021**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,779,506	\$ 710,988	\$ 3,490,494
Cash and cash equivalents - restricted	1,652	147,750	149,402
Receivables, net of allowance for uncollectibles	180,077	125,528	305,605
Internal balances	88,128	(88,128)	-
Inventories	-	9,150	9,150
Capital assets not being depreciated	105,757	10,756	116,513
Capital assets, net of accumulated depreciation	1,824,093	4,430,020	6,254,113
<b>TOTAL ASSETS</b>	<b>4,979,213</b>	<b>5,346,064</b>	<b>10,325,277</b>
<b>DEFERRED OUTFLOWS</b>			
Pension related	167,715	23,432	191,147
<b>LIABILITIES</b>			
Accounts payable	20,854	33,561	54,415
Payroll and related liabilities	31,310	2,636	33,946
Accrued liabilities	-	26,364	26,364
Customer deposits payable	-	72,953	72,953
Due to others	130	-	130
Noncurrent liabilities:			
Due within one year	8,442	40,537	48,979
Due in more than one year	33,362	566,067	599,429
Net pension liability	999,470	148,199	1,147,669
<b>TOTAL LIABILITIES</b>	<b>1,093,568</b>	<b>890,317</b>	<b>1,983,885</b>
<b>DEFERRED INFLOWS</b>			
Pension related	105,280	2,494	107,774
Other	1,087	-	1,087
<b>TOTAL DEFERRED INFLOWS</b>	<b>106,367</b>	<b>2,494</b>	<b>108,861</b>
<b>NET POSITION</b>			
Net investment in capital assets	1,929,850	3,843,075	5,772,925
Restricted for:			
Street maintenance	58,640	-	58,640
Cemetery	298,124	-	298,124
Utilities	-	87,824	87,824
Unrestricted net position	1,660,379	545,786	2,206,165
<b>TOTAL NET POSITION</b>	<b>\$ 3,946,993</b>	<b>\$ 4,476,685</b>	<b>\$ 8,423,678</b>

*The accompanying notes are an integral part of these financial statements.*

**TOWN OF OAK GROVE  
OAK GROVE, LOUISIANA**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSES) REVENUES AND CHANGES IN NET ASSETS		TOTAL
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
Governmental activities:							
General government	\$ 882,268	\$ 148,794	\$ 103,128	\$ -	\$ (630,346)		\$ (630,346)
Public safety	508,619	39,691	93,445	-	(375,483)		(375,483)
Highways and streets	294,178	10,618	-	-	(283,560)		(283,560)
Cemeteries	13,876	6,000	-	-	(7,876)		(7,876)
Health and welfare	7,070	-	-	-	(7,070)		(7,070)
Culture and recreation	25,528	-	-	3,629	(21,899)		(21,899)
Economic development	5,018	-	-	-	(5,018)		(5,018)
Total governmental activities	<u>1,736,557</u>	<u>205,103</u>	<u>196,573</u>	<u>3,629</u>	<u>(1,331,252)</u>		<u>(1,331,252)</u>
Business-type activities:							
Water operations	421,570	521,681	-	17,500		\$ 117,611	117,611
Interest expense on water debt	4,656	-	-	-		(4,656)	(4,656)
Sewer operations	429,486	402,827	-	-		(26,659)	(26,659)
Interest expense on sewer debt	5,089	-	-	-		(5,089)	(5,089)
Total business-type activities	<u>860,801</u>	<u>924,508</u>	<u>-</u>	<u>17,500</u>		<u>81,207</u>	<u>81,207</u>
Total primary government	<u>\$ 2,597,358</u>	<u>\$ 1,129,611</u>	<u>\$ 196,573</u>	<u>\$ 21,129</u>	<u>(1,331,252)</u>	<u>81,207</u>	<u>(1,250,045)</u>
General revenues:							
Property taxes					248,993	-	248,993
Sales and use taxes					918,108	-	918,108
Franchise taxes					58,389	-	58,389
Unrestricted investment earnings					23,971	921	24,892
Gain (loss) on sale of capital assets					4,649	-	4,649
Other					232,513	29,316	261,829
Capital contributions					-		-
Transfers					(45,717)	45,717	-
Total general revenues and transfers					<u>1,440,906</u>	<u>75,954</u>	<u>1,516,860</u>
<b>Change in net position</b>					<u>109,654</u>	<u>157,161</u>	<u>266,815</u>
Net position at beginning of year					<u>3,837,339</u>	<u>4,319,524</u>	<u>8,156,863</u>
<b>Net position at end of year</b>					<u>\$ 3,946,993</u>	<u>\$ 4,476,685</u>	<u>\$ 8,423,678</u>

*The accompanying notes are an integral part of these financial statements.*

**TOWN OF OAK GROVE  
OAK GROVE, LOUISIANA**

**GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2021**

<b>ASSETS</b>	<b>General</b>	<b>Sales Tax</b>	<b>Street</b>	<b>Economic Development</b>	<b>Cemetery</b>	<b>LCDBG</b>	<b>Total Governmental Funds</b>
Cash and cash equivalents	\$ 329,445	\$ 1,781,223	\$ 98,603	\$ 229,246	\$ 340,989	\$ -	\$ 2,779,506
Cash and cash equivalents - restricted	1,652	-	-	-	-	-	1,652
Receivables, net	9,846	170,231	-	-	-	-	180,077
Due from other funds	14,238	124,267	14,407	-	1,615	17,237	171,764
<b>TOTAL ASSETS</b>	<b><u>\$ 355,181</u></b>	<b><u>\$ 2,075,721</u></b>	<b><u>\$ 113,010</u></b>	<b><u>\$ 229,246</u></b>	<b><u>\$ 342,604</u></b>	<b><u>\$ 17,237</u></b>	<b><u>\$ 3,132,999</u></b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	\$ 2,598	\$ 812	\$ 207	\$ -	\$ -	\$ 17,237	\$ 20,854
Payroll and related liabilities	25,125	5,554	-	-	632	-	31,311
Due to other funds	29,939	-	41,759	-	11,938	-	83,636
Due to others	130	-	-	-	-	-	130
Total liabilities	<u>57,792</u>	<u>6,366</u>	<u>41,966</u>	<u>-</u>	<u>12,570</u>	<u>17,237</u>	<u>135,931</u>
Deferred inflows:							
Unavailable revenues	<u>1,087</u>	<u>86,651</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,738</u>
Fund balances:							
Restricted fund balances	71,595	1,982,704	71,044	-	330,034	-	2,455,377
Committed fund balances	-	-	-	229,246	-	-	229,246
Unassigned	224,707	-	-	-	-	-	224,707
Total fund balances	<u>296,302</u>	<u>1,982,704</u>	<u>71,044</u>	<u>229,246</u>	<u>330,034</u>	<u>-</u>	<u>2,909,330</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>	<b><u>\$ 355,181</u></b>	<b><u>\$ 2,075,721</u></b>	<b><u>\$ 113,010</u></b>	<b><u>\$ 229,246</u></b>	<b><u>\$ 342,604</u></b>	<b><u>\$ 17,237</u></b>	<b><u>\$ 3,132,999</u></b>

*The accompanying notes are an integral part of these financial statements.*

**TOWN OF OAK GROVE  
OAK GROVE, LOUISIANA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS' BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
AS OF JUNE 30, 2021**

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**Amounts reported for governmental activities  
in the statement of net position are different because:**

<b>Total fund balances</b>	<b>\$ 2,909,330</b>
Capital assets used in governmental activities are not financial resources and, therefore, are deferred in the funds.	<b>1,929,850</b>
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	<b>86,651</b>
Deferred outflows - pension related	<b>167,715</b>
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Compensated absences payable	<b>(41,804)</b>
Net pension liability	<b>(999,470)</b>
Deferred inflows - pension related	<u><b>(105,279)</b></u>
<b>Net position of governmental activities</b>	<u><b>\$ 3,946,993</b></u>

*The accompanying notes are an integral part of these financial statements.*

TOWN OF OAK GROVE  
OAK GROVE, LOUISIANA

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

	General	Sales Tax	Street	Economic Development	Cemetery	LCDBG	Total Governmental Funds
Revenues:							
Taxes:							
Ad valorem	\$ 129,272	\$ -	\$ 85,584	\$ -	\$ 34,137	\$ -	\$ 248,993
Sales and use	-	903,008	-	-	-	-	903,008
Franchise	58,389	-	-	-	-	-	58,389
Intergovernmental:							
Federal funds	127,728	17,773	-	3,629	-	-	149,130
State funds:							
Supplemental pay	33,572	-	-	-	-	-	33,572
Other state funds	-	17,500	-	-	-	-	17,500
Licenses and permits	130,640	-	-	-	-	-	130,640
Charges for services	10,618	-	-	-	6,000	-	16,618
Fines	39,691	-	-	-	-	-	39,691
Lease income	9,554	-	-	8,600	-	-	18,154
Interest earned	1,483	14,756	407	2,144	5,181	-	23,971
Other revenues	11,124	1,208	8,268	13,600	24	-	34,224
Total revenues	<u>552,071</u>	<u>954,245</u>	<u>94,259</u>	<u>27,973</u>	<u>45,342</u>	<u>-</u>	<u>1,673,890</u>
Expenditures:							
Current:							
General government	200,690	441,067	1,147	-	556	-	643,460
Public safety	449,362	24,855	-	-	-	-	474,217
Highways and streets	-	111,525	81,958	-	-	-	193,483
Cemeteries	-	-	-	-	13,876	-	13,876
Health and welfare	1,157	5,913	-	-	-	-	7,070
Culture and recreation	1,157	13,615	-	-	-	-	14,772
Economic development	-	-	-	1,082	-	-	1,082
Capital outlay	32,168	-	22,308	44,648	-	29,737	128,861
Total expenditures	<u>684,534</u>	<u>596,975</u>	<u>105,413</u>	<u>45,730</u>	<u>14,432</u>	<u>29,737</u>	<u>1,476,821</u>
Excess (deficiency) of revenues over expenditures	<u>(132,463)</u>	<u>357,270</u>	<u>(11,154)</u>	<u>(17,757)</u>	<u>30,910</u>	<u>(29,737)</u>	<u>197,069</u>
Other financing sources (uses):							
Transfers in	140,000	-	22,308	-	1,000	29,737	193,045
Transfers out	-	(238,762)	-	-	-	-	(238,762)
Sale of capital assets	3,399	-	1,250	-	-	-	4,649
Proceeds from insurance	60,093	-	-	-	-	-	60,093
Total other financing sources and uses	<u>203,492</u>	<u>(238,762)</u>	<u>23,558</u>	<u>-</u>	<u>1,000</u>	<u>29,737</u>	<u>19,025</u>
<b>Net change in fund balances</b>	<u>71,029</u>	<u>118,508</u>	<u>12,404</u>	<u>(17,757)</u>	<u>31,910</u>	<u>-</u>	<u>216,094</u>
Fund balances at beginning of year	<u>225,273</u>	<u>1,864,196</u>	<u>58,640</u>	<u>247,003</u>	<u>298,124</u>	<u>-</u>	<u>2,693,236</u>
<b>Fund balances at end of year</b>	<u>\$ 296,302</u>	<u>\$ 1,982,704</u>	<u>\$ 71,044</u>	<u>\$ 229,246</u>	<u>\$ 330,034</u>	<u>\$ -</u>	<u>\$ 2,909,330</u>

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

**TOWN OF OAK GROVE  
OAK GROVE, LOUISIANA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS' STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021**

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**Amounts reported for governmental activities**

**in the statement of net position are different because:**

**Net change in fund balances - total governmental funds** **\$ 216,094**

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

Capital outlay	128,861
Depreciation expense	(153,355)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Amount deferred in current year governmental balance sheet	86,651
Amount deferred in prior year governmental balance sheet	(71,551)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in net pension liability and deferred inflows and outflows	(235,244)
Town's share of nonemployer contributions to the retirement systems	<u>138,198</u>

**Change in net position of governmental activities** **\$ 109,654**

*The accompanying notes are an integral part of these financial statements.*

**TOWN OF OAK GROVE  
OAK GROVE, LOUISIANA**

**PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2021**

<b>ASSETS</b>	<b>Water</b>	<b>Sewer</b>	<b>Total Proprietary Funds</b>
<b>Current assets:</b>			
Cash and cash equivalents - unrestricted	\$ 610,743	\$ 100,245	\$ 710,988
Cash and cash equivalents - restricted	120,537	27,213	147,750
Receivables, net	78,750	46,778	125,528
Inventories	9,150	-	9,150
Total current assets	<u>819,180</u>	<u>174,236</u>	<u>993,416</u>
<b>Noncurrent assets:</b>			
Capital assets, net	<u>2,264,162</u>	<u>2,176,614</u>	<u>4,440,776</u>
<b>TOTAL ASSETS</b>	<u>3,083,342</u>	<u>2,350,850</u>	<u>5,434,192</u>
<b>DEFERRED OUTFLOWS</b>			
Deferred outflows - pension related	<u>11,716</u>	<u>11,716</u>	<u>23,432</u>
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable	12,167	21,394	33,561
Due to other funds	17,236	70,892	88,128
Payroll and related liabilities	1,318	1,320	2,638
Accrued liabilities	26,362	-	26,362
Customer deposits payable	72,953	-	72,953
Non-current liabilities due within one year	11,537	29,000	40,537
Total current liabilities	<u>141,573</u>	<u>122,606</u>	<u>264,179</u>
<b>Noncurrent liabilities:</b>			
Non-current liabilities due in more than one year	88,366	477,701	566,067
Net pension liability	74,100	74,099	148,199
Total noncurrent liabilities	<u>162,466</u>	<u>551,800</u>	<u>714,266</u>
<b>TOTAL LIABILITIES</b>	<u>304,039</u>	<u>674,406</u>	<u>978,445</u>
<b>DEFERRED INFLOWS</b>			
Deferred inflows - pension related	<u>1,247</u>	<u>1,247</u>	<u>2,494</u>
<b>NET POSITION</b>			
Net investment in capital assets	2,173,162	1,669,913	3,843,075
Restricted net position	87,824	-	87,824
Unrestricted net position	528,786	17,000	545,786
<b>TOTAL NET POSITION</b>	<u>\$ 2,789,772</u>	<u>\$ 1,686,913</u>	<u>\$ 4,476,685</u>

*The accompanying notes are an integral part of these financial statements.*

**TOWN OF OAK GROVE  
OAK GROVE, LOUISIANA**

**PROPRIETARY FUNDS  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2021**

	Water	Sewer	Total Proprietary Funds
Operating revenues:			
Charges for sales and services:			
Water and sewer fees	\$ 521,681	\$ 402,827	\$ 924,508
Other revenues	<u>17,253</u>	<u>12,063</u>	<u>29,316</u>
Total operating revenues	<u>538,934</u>	<u>414,890</u>	<u>953,824</u>
Operating expenses:			
Administration	305,437	346,038	651,475
Depreciation expense	<u>116,133</u>	<u>83,448</u>	<u>199,581</u>
Total operating expenses	<u>421,570</u>	<u>429,486</u>	<u>851,056</u>
Operating income (loss)	<u>117,364</u>	<u>(14,596)</u>	<u>102,768</u>
Nonoperating revenues (expenses):			
Intergovernmental revenues	17,500	-	17,500
Interest earned	921	-	921
Interest expense	<u>(4,656)</u>	<u>(5,089)</u>	<u>(9,745)</u>
Total nonoperating revenue (expenses)	<u>13,765</u>	<u>(5,089)</u>	<u>8,676</u>
Income (loss) before transfers	<u>131,129</u>	<u>(19,685)</u>	<u>111,444</u>
Transfers in	37,727	75,454	113,181
Transfers out	<u>(29,737)</u>	<u>(37,727)</u>	<u>(67,464)</u>
Total transfers	<u>7,990</u>	<u>37,727</u>	<u>45,717</u>
<b>Change in net position</b>	139,119	18,042	157,161
Net position at beginning of year	<u>2,650,653</u>	<u>1,668,871</u>	<u>4,319,524</u>
<b>Net position at end of year</b>	<u>\$ 2,789,772</u>	<u>\$ 1,686,913</u>	<u>\$ 4,476,685</u>

*The accompanying notes are an integral part of these financial statements.*

**TOWN OF OAK GROVE  
OAK GROVE, LOUISIANA**

**PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2021**

	<b>Water</b>	<b>Sewer</b>	<b>Total Proprietary Funds</b>
Cash flows from operating activities:			
Receipts from customers and users	\$ 531,094	\$ 429,175	\$ 960,269
Payments to suppliers	(199,666)	(321,747)	(521,413)
Payments to employees	(66,471)	(65,885)	(132,356)
<b>Net cash provided by operating activities</b>	<u>264,957</u>	<u>41,543</u>	<u>306,500</u>
Cash flows from noncapital financing activities:			
Transfer from other funds	37,727	75,454	113,181
Transfer to other funds	(29,737)	(37,727)	(67,464)
Subsidy from grants	17,500	-	17,500
<b>Net cash provided by noncapital and related financing activities</b>	<u>25,490</u>	<u>37,727</u>	<u>63,217</u>
Cash flows from capital and related financing activities:			
Purchases of capital assets	(22,308)	-	(22,308)
Principal paid on capital debt	(9,000)	(29,000)	(38,000)
Interest paid on capital debt	(4,656)	(5,089)	(9,745)
<b>Net cash used by capital and related financing activities</b>	<u>(35,964)</u>	<u>(34,089)</u>	<u>(70,053)</u>
Cash flows from investing activities:			
Interest received	921	-	921
<b>Net cash provided by investing activities</b>	<u>921</u>	<u>-</u>	<u>921</u>
Net increase (decrease) in cash and cash equivalents	255,404	45,181	300,585
Cash and cash equivalents, beginning of year (including amounts in restricted accounts)	<u>475,876</u>	<u>82,278</u>	<u>558,154</u>
<b>Cash and cash equivalents, end of year (including amounts in restricted accounts)</b>	<u>\$ 731,280</u>	<u>\$ 127,458</u>	<u>\$ 858,739</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ 117,364	\$ (14,596)	\$ 102,768
Adjustments to reconcile operating loss to cash provided by operating activities:			
Depreciation expense	116,133	83,448	199,581
Pension related income and expense	(7,415)	(7,416)	(14,831)
(Increase) decrease in accounts receivable	1,530	(1,681)	(151)
(Increase) decrease in interfund balances	17,237	(4,250)	12,987
Increase (decrease) in accounts payable	6,536	(14,281)	(7,745)
Increase (decrease) in payroll related liabilities	317	319	636
Increase (decrease) in customer deposits	1,877	-	1,877
Increase (decrease) in accrued liabilities	11,378	-	11,378
Total adjustments	<u>147,593</u>	<u>56,139</u>	<u>203,732</u>
<b>Net cash provided by operating activities</b>	<u>\$ 264,957</u>	<u>\$ 41,543</u>	<u>\$ 306,500</u>
Noncash investing, capital, and financing activities:			
None			

*The accompanying notes are an integral part of these financial statements.*

**TOWN OF OAK GROVE  
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Town of Oak Grove, Louisiana, (the Town) was incorporated January 13, 1909, and on January 4, 1966, adopted the provisions of The Home Rule Charter as provided by State Law Reference L.R.S. 33:1381-1390. A copy of the ratified charter is recorded in Charter Book "B" at page 401 of the records of West Carroll Parish, Louisiana. As of 2010, the Town had a population of 1,727. The citizens elect the Mayor, who is the executive officer, and the five Council members. The Council elects the Mayor Pro-Tem.

The accompanying basic financial statements of the Town of Oak Grove have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

The basic financial statements present the financial position and results of operations of the various funds of the Town and the cash flows of the proprietary funds as of and for the year ended June 30, 2021.

**Reporting Entity**

The Town's basic financial statements consist of financial information of the various funds and activities that comprise the Town's legal entity. GASB Statement No. 14, *The Financial Reporting Entity*, as amended, provides that a legally separate entity is considered a component unit of the Town if at least one of the following criteria is met:

- The Town appoints a voting majority of the organization's governing body and is either able to impose its will on the organization or there is a potential financial benefit/burden to the Town.
- The entity is fiscally dependent on the Town and there is a potential financial benefit/burden to the State.
- The nature and significant of the relationship between the Town and the entity is such that exclusion would cause the financial statements of the Town to be misleading.

Under provisions of this Statement, the Town is considered a primary government since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. The Town has no component units.

**Basis of Presentation**

The basic financial statements include the government-wide financial statements, fund financial statements, notes to the basic financial statements, and required supplementary information other than the MD&A.

**TOWN OF OAK GROVE  
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation (Continued)**

The government-wide financial statements consist of a governmental activities column and a business-type activities column. Together these two columns comprise the financial information of the primary government. Fund financial statements are presented to provide additional detail supporting the information presented in the government-wide financial statements. The fund financial statements consist of financial statements for governmental funds and proprietary funds (enterprise funds).

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Major revenues such as ad valorem taxes and sales taxes are assessed, collected and susceptible to accrual. Assets, liabilities, revenues, and expenses of the government are reported in the financial statements. The statements distinguish between the governmental and business-type activities of the Town by reporting each in a separate column.

All capital (long-lived) assets, receivables, and long-term obligations are reported in the Statement of Net Position. The Statement of Activities reports revenues and expenses in a format that allows the reader to focus on the net cost of each function of the Town. Both the gross and net cost per function, which is otherwise being supported by general government revenues, is compared to the revenues generated directly by the function. In the Statement of Activities, gross expenses, including depreciation, are reduced by related program revenues, which are comprised of charges for services, operating grants, and capital grants. Direct and indirect expenses are reported as program expenses for individual functions and activities. The program revenues must be directly associated with the function or a business-type activity. The types of transactions included in program revenues are licenses and permits, fines, lease income, court costs, charges for mowing, and charges for gravesites. The operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The fund financial statements report the Town as a collection of major and nonmajor funds presented on separate schedules by fund category – governmental, proprietary, and fiduciary funds.

- The governmental fund statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances, with one column for the general fund, one for each of the other major funds, and one column combining all the nonmajor governmental funds. The Town does not have any nonmajor governmental funds. The statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period, generally considered sixty days after the end of the fiscal year. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest payments on general long-term liabilities which are recognized when due.
- The proprietary fund statements include a statement of net position; a statement of revenues, expenses, and changes in fund net position; and a statement of cash flows. Each statement has a column for each major enterprise fund. The Town does not have any nonmajor proprietary funds or internal service funds. The proprietary fund statements are prepared using the economic resources measurement focus and the accrual basis of accounting in order to make a determination of net income, financial position, and cash flows.

**TOWN OF OAK GROVE  
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation (Continued)**

Although the financial statements presented in each of these three schedules contain “total” columns, they merely combine rather than consolidate the funds. Hence, interfund transactions that generate receivables and payables or transfers from one fund to another are not eliminated.

Major funds are those whose revenues, expenditures/expenses, assets, or liabilities are at least ten percent of the total for their fund category or type (governmental or enterprise) and at least five percent of the corresponding element total for all governmental and enterprise funds combined.

The data on the face of the three sets of financial statements must be accompanied by certain disclosures to ensure accurate information is presented in the form of a single set of notes to the basic financial statements.

The major governmental funds of the Town are the General Fund, the Sales Tax Fund, the Street Fund, the Economic Development Fund, the Debt Service Fund, and the Cemetery Fund, and the LCDBG Capital Projects Fund.

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

The Sales Tax Special Revenue Fund accounts for a twenty-year one percent sales tax levied in 2017 for the purpose of maintaining streets and drainage, purchasing police equipment, and other legal purposes consistent with the Town’s purpose.

The Street Special Revenue Fund accounts for property taxes dedicated to street maintenance.

The Economic Development Fund accounts for funds committed by the Council for economic development within the Town.

The Cemetery Special Revenue Fund accounts for property taxes dedicated to the operation and maintenance of the cemetery.

The LCDBG Capital Projects Fund accounts for grants received from the Louisiana Community Development Block Grant program and expenditures related to those grants.

The Town reports two major enterprise funds, the Water and Sewer Funds.

TOWN OF OAK GROVE  
OAK GROVE, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position, Equity, or Net Fund Balances

*Cash and Investments*

The Town Clerk pools those cash resources for which she is responsible and invests them accordingly. For purposes of the financial statements, including the Statement of Cash Flows, the Town considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Investments are reported at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Cash and investment earnings are recorded in the Fund that holds the investment.

*Receivables and Payables*

Activity between funds that is outstanding at the end the fiscal year is referred to as either “due to or from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” All internal balances are eliminated in the total primary government column. Receivables include all amounts susceptible to accrual that have not been collected at June 30, but will be collected soon enough after the end of the year to pay liabilities of that year. They include all amounts earned, but not collected at June 30. Receivables (net of any uncollectible amounts) and payables are reported on separate lines.

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied by the Town in September or October, are actually billed on October 1, and are mailed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year they are billed. The Town bills and collects its own property taxes using the assessed value determined by the assessor of West Carroll Parish. For the year ended June 30, 2021, taxes of 20.56 mills were levied on property with assessed valuations totaling \$12,021,652, as follows:

General corporate purposes	10.60 mills
Street maintenance	7.12 mills
Cemetery	2.84 mills

**TOWN OF OAK GROVE  
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets, Liabilities, and Net Position, Equity, or Net Fund Balances (Continued)**

The following are the principal taxpayers and related property tax revenue for the Town:

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>	<u>Ad Valorem Tax Revenue for Municipality</u>
Wal-Mart Real Estate Business Trust	\$ 891,000	7%	\$ 18,319
Regions Bank	786,443	7%	16,169
Wal-Mart Louisiana, LLC	598,068	5%	12,296
West Carroll Hospital	536,867	4%	11,038
Guaranty Bank and Trust Co.	435,438	4%	8,953
Commerce Community Bank	323,727	3%	6,656
b1Bank	261,739	2%	5,381
Superior Group of Companies	229,918	2%	4,727
Commerical Capital Bank	184,026	2%	3,784
Carroll Nursing Home Inc.	169,850	1%	3,492
Totals	<u>\$ 4,417,076</u>	<u>37%</u>	<u>\$ 90,815</u>

*Inventories and Prepaid Items*

Inventories consisting of office supplies and water and sewer plant supplies held for consumption are valued using the average cost method. The consumption method is used for financial reporting. Certain payments reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

*Restricted Assets*

Restricted assets represent primarily cash and investments held separately and restricted according to bond indenture agreements. Cash held for water customer meter deposits is also reported as restricted.

**TOWN OF OAK GROVE  
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets, Liabilities, and Net Position, Equity, or Net Fund Balances (Continued)**

*Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Infrastructure is reported from 1997 and forward and includes streets. Capital assets are recorded as expenditures in each fund and capitalized at the government-wide level. Capital assets of enterprise funds are reported in the respective funds. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized. For reporting purposes, the Town defines capital assets as follows:

- Land is an inexhaustible asset with no capitalization threshold and an unlimited useful life; therefore, it is not depreciated.
- Buildings are permanent structures erected above ground, while improvements are major repairs, renovations, or additions that increase the future service potential of the asset. Leasehold improvements are improvements made by the lessee to leased property. The capitalization threshold for buildings and improvements is \$5,000. They are depreciated principally using the straight-line method with an estimated useful life typically of 40 years for structures and improvements and 20 years for depreciable land improvements. Leasehold improvements are depreciated using the straight-line method with an estimated useful life depending on the term of the lease. Construction-in-progress is not depreciated.
- Movable property (furniture, equipment, and vehicles) consists of assets that are not fixed or stationary in nature with an initial, individual cost of at least \$1,000. The straight-line method of depreciation is used, which divides the historical cost by the estimated useful life of the asset, generally 5 to 10 years.
- Infrastructure assets are roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems. Infrastructure has a capitalization threshold of \$5,000 and is depreciated using the straight-line method with an estimated useful life of 40 years.
- Purchased computer software has a capitalization threshold of \$1,000 and is depreciated using the straight-line method over an estimated useful life of 3 years.
- Donated capital assets are recorded at their estimated fair value at the date of donation.

**TOWN OF OAK GROVE  
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets, Liabilities, and Net Position, Equity, or Net Fund Balances**

*Compensated absences*

An employee must have been in the service of the Town for at least one year to be eligible for annual leave. Employees' vacations are determined by length of service with the Town according to the following: one–two years, one week; two–ten years, two weeks; and more than ten years, three weeks. Employees may not carry over or accumulate annual leave from one year to another. After one year, employees are entitled to three hardship days to be approved by the department head and the mayor. Any employee who dies while employed by the Town of Oak Grove is entitled to be paid any vacation days not taken during that calendar year. All payments will be made to the employee's estate.

Leave from work with pay may be charged as sick leave if the absence is due to sickness, bodily injury, quarantine, required physical or dental examinations or treatment, exposure to a contagious disease when continued work might jeopardize the health of others, and illness in the employee's immediate family. Employees are entitled to sick leave when they have worked full-time for the Town for six months. Each employee earns sick leave at the rate of one day for each month worked. An employee cannot accumulate more than 30 days of sick leave. All accumulated sick leave is forfeited upon termination of employment except upon retirement.

A municipal employee who is called for jury duty or as a witness for the federal or state governments or a subdivision thereof is entitled to leave with pay for such duty during the required absence. A municipal employee who is a member of Reserved Military or National Guard is entitled to leave with pay for up to 15 days per year.

The Town does not provide compensatory time as a means of compensation.

*Long-Term Obligations*

In the government-wide financial statements, long-term obligations are reported as liabilities in the applicable governmental or business-type activities. In the fund financial statements, proprietary fund long-term obligations are reported as liabilities in the proprietary fund type statement of net position. Individual funds have been used to liquidate other long-term liabilities such as compensated absences, claims and litigation payable, etc. Bond premiums and discounts are deferred and amortized over the life of the bonds. In accordance with paragraph 16 of the Accounting Principles Board Opinion No. 21, unamortized balances of premiums and discounts are netted against the outstanding balance of the related bonds payable.

**TOWN OF OAK GROVE  
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balance Classifications and Net Position**

Fund balances are reported under the following fund balance classifications:

Non-spendable	Includes fund balance amounts that cannot be spent either because it is not in spendable form or are legally or contractually required to be maintained intact.
Restricted	Includes amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
Committed	Includes amounts that can only be used for specific purposes pursuant to constraints that are internally imposed by the government through formal action of the Town Council and does not lapse at year-end.
Assigned	Includes amounts that are constrained by the Council's intent to be used for specific purposes that are neither considered restricted or committed.
Unassigned	Includes amounts that have not been assigned to other funds and that have not been restricted, committed or assigned to specific purposes within the General Fund. Negative fund balances in other governmental funds can also be classified as unassigned.

The Town has a general policy to first use restricted resources for expenditures incurred for which both restricted and unrestricted (committed, assigned, and unassigned) resources are available. When expenditures are incurred for which only unrestricted resources are available, the general policy of the Town is to use committed resources first, followed by assigned, and then unassigned. The use of restricted/committed resources may be deferred based on a review of the specific transaction.

The difference between assets and liabilities is "net position" on the government-wide, proprietary, and fiduciary fund statements. Net position is segregated into three categories on the government-wide statement of net position:

Net investment in capital assets - Consists of capital assets including restricted capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations. The Town first uses restricted net position for expenses incurred when both restricted and unrestricted net position are available for use. The use of restricted net position may be deferred based on a review of the specific transaction.

Unrestricted net position – The balance of net position that does not meet the definition of "restricted" or "net investment in capital assets."

**TOWN OF OAK GROVE  
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balance Classifications and Net Position (Continued)**

*Reconciliation of Government-wide and Fund Financial Statements*

The governmental fund balance sheet includes a reconciliation of the government-wide statements to the governmental fund financial statements. This reconciliation is necessary to bring the financial statements from the current financial resources measurement focus and modified accrual basis of accounting to the economic measurement focus and full accrual basis of accounting. Major items included in the reconciliation are capital assets, inventories and prepaids, long-term debt, accrued interest, long-term liabilities, and deferred revenue, which are shown on the government-wide but not the governmental fund statements.

*Budgets*

The Town of Oak Grove (Mayor and Council) uses the following budget practices:

Prior to June 30, the Town Clerk submits to the Mayor and Council Members a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year. The budget is submitted in summary form. In addition, more detailed line-item budgets are included for administrative control. The level of control for the detailed budgets is at the department head/function level.

Public hearings are conducted to obtain taxpayer comment.

During the month of July, the budget is legally enacted through passage of an ordinance.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and the Debt Service Fund.

Budgets are adopted on the modified accrual basis.

Appropriations lapse at the end of each fiscal year.

The Mayor and Council Members may authorize supplemental appropriations during the year.

*Use of estimates*

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

**TOWN OF OAK GROVE  
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021**

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**NOTE 2 - CASH AND CASH EQUIVALENTS**

Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits may not be returned to it. The Town's policy to ensure that there is no exposure to this risk is to require each financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage. The policy is not a formal written policy. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the Town that the fiscal agent bank has failed to pay deposited funds upon demand.

At June 30, 2021, the Town has cash and cash equivalents (book balances) totaling \$3,639,896 as follows:

<b>Cash and cash equivalents:</b>	
Demand deposits	\$ 1,471,028
Time deposits	2,018,403
Other	<u>1,063</u>
Total	<u>3,490,494</u>
<b>Cash and cash equivalents – restricted:</b>	
Demand deposits	82,660
Time deposits	<u>66,742</u>
Total	<u>149,402</u>
<b>Total</b>	<b><u>\$ 3,639,896</u></b>

These deposits are stated at cost which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance, or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. As of June 30, 2021, \$1,964,278 of the Town's bank balances of \$3,657,820 was exposed to custodial credit risk as follows:

<b>Bank balances</b>	<b><u>\$ 3,657,820</u></b>
Insured by FDIC	<u>\$ 1,693,542</u>
Collateralized by pledged securities not in the Town's name	<u>1,964,278</u>
Total balances exposed to custodial credit risk	<u>1,964,278</u>
<b>Total bank balances</b>	<b><u>\$ 3,657,820</u></b>

**TOWN OF OAK GROVE  
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021**

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**NOTE 3 – RECEIVABLES**

The following is a summary of receivables at June 30, 2021:

	<u>General</u>	<u>Sales Tax</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<b>Receivables:</b>					
Taxes	\$ -	\$170,231	\$ -	\$ -	<b>\$170,231</b>
Fines and Forfeits	<u>9,846</u>	<u>          </u>	<u>83,923</u>	<u>46,778</u>	<b><u>140,547</u></b>
<b>Gross receivables</b>	<u>9,846</u>	<u>170,231</u>	<u>83,923</u>	<u>46,778</u>	<b><u>310,778</u></b>
Less allowance for uncollectibles	<u>-</u>	<u>-</u>	<u>(5,173)</u>	<u>-</u>	<b><u>(5,173)</u></b>
 <b>Net total receivables</b>	 <u>\$ 9,846</u>	 <u>\$170,231</u>	 <u>\$ 78,750</u>	 <u>\$46,778</u>	 <b><u>\$305,605</u></b>

**TOWN OF OAK GROVE  
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021**

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**NOTE 4 – CAPITAL ASSETS**

A schedule of changes in capital assets for the year ended June 30, 2021, follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 74,750	\$ -	\$ -	\$ 74,750
Recreational vehicle hookups at park	1,270	-	-	1,270
Construction in progress	165,314	74,383	(209,960)	29,737
Total capital assets not being depreciated	<u>241,334</u>	<u>74,383</u>	<u>(209,960)</u>	<u>105,757</u>
<b>Capital assets being depreciated:</b>				
Infrastructure	2,870,655	-	-	2,870,655
Buildings	399,237	-	-	399,237
Building improvements	201,993	209,960	-	411,953
Furniture and equipment	579,896	-	(1,000)	578,896
Other improvements	142,996	-	-	142,996
Vehicles	331,494	54,476	(42,015)	343,955
Total capital assets being depreciated	<u>4,526,271</u>	<u>264,436</u>	<u>(43,015)</u>	<u>4,747,692</u>
<b>Less accumulated depreciation for:</b>				
Infrastructure	1,487,652	74,337	-	1,561,989
Buildings	399,237	-	-	399,237
Building improvements	192,171	5,719	-	197,890
Furniture and equipment	481,769	28,597	(1,000)	509,366
Other improvements	14,336	7,588	-	21,924
Vehicles	238,094	37,114	(42,015)	233,193
Total accumulated depreciation	<u>2,813,259</u>	<u>153,355</u>	<u>(43,015)</u>	<u>2,923,599</u>
Total capital assets being depreciated	<u>1,713,012</u>	<u>111,081</u>	<u>-</u>	<u>1,824,093</u>
Governmental activities, capital assets, net	<u>\$ 1,954,346</u>	<u>\$ 185,464</u>	<u>\$ (209,960)</u>	<u>\$ 1,929,850</u>

**TOWN OF OAK GROVE  
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021**

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**NOTE 4 – CAPITAL ASSETS (CONTINUED)**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type activities - Water:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 10,756	\$ -	\$ -	\$ 10,756
Total capital assets not being depreciated	<u>10,756</u>	<u>-</u>	<u>-</u>	<u>10,756</u>
<b>Capital assets being depreciated:</b>				
Infrastructure	5,165,036	-	-	5,165,036
Building improvements	27,954	-	-	27,954
Furniture and equipment	114,080	-	-	114,080
Vehicles	92,929	22,308	-	115,237
Total capital assets being depreciated	<u>5,399,999</u>	<u>22,308</u>	<u>-</u>	<u>5,422,307</u>
<b>Less accumulated depreciation for:</b>				
Infrastructure	2,820,819	111,747	-	2,932,566
Building improvements	26,597	454	-	27,051
Furniture and equipment	112,423	585	-	113,008
Vehicles	92,929	3,347	-	96,276
Total accumulated depreciation	<u>3,052,768</u>	<u>116,133</u>	<u>-</u>	<u>3,168,901</u>
Total capital assets being depreciated	<u>2,347,231</u>	<u>(93,825)</u>	<u>-</u>	<u>2,253,406</u>
Business-type activities - Water, capital assets, net	<u>\$ 2,357,987</u>	<u>\$ (93,825)</u>	<u>\$ -</u>	<u>\$ 2,264,162</u>

**TOWN OF OAK GROVE  
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021**

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**NOTE 4 – CAPITAL ASSETS (CONTINUED)**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type activities - Sewer:</b>				
<b>Capital assets not being depreciated:</b>				
Total capital assets not being depreciated	\$ -	\$ -	\$ -	\$ -
<b>Capital assets being depreciated:</b>				
Infrastructure	\$ 3,295,698	\$ -	\$ -	\$ 3,295,698
Buildings	1,815	-	-	1,815
Building improvements	3,472	-	-	3,472
Furniture and equipment	30,799	-	-	30,799
being depreciated	<u>3,331,784</u>	<u>-</u>	<u>-</u>	<u>3,331,784</u>
<b>Less accumulated depreciation for:</b>				
Infrastructure	1,037,292	82,863	-	1,120,155
Buildings	1,815	-	-	1,815
Building improvements	3,472	-	-	3,472
Furniture and equipment	29,142	585	-	29,727
Total accumulated depreciation	<u>1,071,721</u>	<u>83,448</u>	<u>-</u>	<u>1,155,169</u>
Total capital assets being depreciated	<u>2,260,063</u>	<u>(83,448)</u>	<u>-</u>	<u>2,176,615</u>
Business-type activities - Sewer capital assets, net	<u>\$ 2,260,061</u>	<u>\$ (83,448)</u>	<u>\$ -</u>	<u>\$ 2,176,612</u>

**TOWN OF OAK GROVE  
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021**

**NOTE 4 – CAPITAL ASSETS (CONTINUED)**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type activities - total:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 10,756	\$ -	\$ -	\$ 10,756
Total capital assets not being depreciated	<u>10,756</u>	<u>-</u>	<u>-</u>	<u>10,756</u>
<b>Capital assets being depreciated:</b>				
Infrastructure	8,460,734	-	-	8,460,734
Buildings	1,815	-	-	1,815
Building improvements	31,426	-	-	31,426
Furniture and equipment	144,879	-	-	144,879
Vehicles	92,929	22,308	-	115,237
Total capital assets being depreciated	<u>8,731,783</u>	<u>22,308</u>	<u>-</u>	<u>8,754,091</u>
<b>Less accumulated depreciation for:</b>				
Infrastructure	2,822,634	194,610	-	2,934,381
Buildings	3,472	-	-	3,472
Building improvements	55,739	454	-	56,778
Furniture and equipment	112,423	1,170	-	113,008
Vehicles	1,164,650	3,347	-	1,251,445
Total accumulated depreciation	<u>4,124,489</u>	<u>199,581</u>	<u>-</u>	<u>4,324,070</u>
Total capital assets being depreciated	<u>4,607,294</u>	<u>(177,273)</u>	<u>-</u>	<u>4,430,020</u>
Business-type activities - total, capital assets, net	<u>\$ 4,618,048</u>	<u>\$ (177,273)</u>	<u>\$ -</u>	<u>\$ 4,440,774</u>

Depreciation expense was charged as follows:

**Governmental activities:**

General government	\$ 3,565
Public safety	34,402
Highways and streets	100,695
Culture and recreation	10,756
Economic development	3,937
Total	<u>\$ 153,355</u>

**Business-type activities:**

Water	\$ 116,133
Sewer	83,448
Total	<u>\$ 199,581</u>

**TOWN OF OAK GROVE  
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021**

**NOTE 5 – INTERFUND BALANCES AND TRANSFERS**

Interfund balances and transfers during the year ended June 30, 2021, were as follows:

		Due To					
		Sales					
		General	Tax	Street	Cemetery	LCDBG	Total
Due From	General	\$ -	\$ 20,978	\$ 14,407	\$ 1,615	\$ -	\$ 37,000
	Street	9,362	32,397	-	-	-	41,759
	Cemetery	4,876	-	-	-	-	4,876
	Water	-	-	-	-	17,237	17,237
	Sewer	-	70,892	-	-	-	70,892
	Total	<u>\$ 14,238</u>	<u>\$ 124,267</u>	<u>\$ 14,407</u>	<u>\$ 1,615</u>	<u>\$ 17,237</u>	<u>\$ 171,764</u>

		Transfers out			
		Sales			
		Tax	Water	Sewer	Total
Transfers in	General	\$ 140,000	\$ -	\$ -	\$ 140,000
	Street	22,308	-	-	22,308
	Cemetery	1,000	-	-	1,000
	LCDBG	-	29,737	-	29,737
	Water	-	-	37,727	37,727
	Sewer	75,454	-	-	75,454
Total	<u>\$ 238,762</u>	<u>\$ 29,737</u>	<u>\$ 37,727</u>	<u>\$ 306,226</u>	

Balances are due to electronic transfers from grantors, bills paid by other funds, or errors. Transfers are used to move unrestricted revenues to finance various programs that the Town must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant projects. In addition, transfers included amounts transferred for reserve fund requirements for revenue bonds.

**TOWN OF OAK GROVE  
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021**

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**NOTE 6 – LONG-TERM OBLIGATIONS**

Bonds payable at June 30, 2021, are comprised of the following:

**Taxable Sewer Revenue Bonds:**

Sewer Revenue Bonds, Series 2017 (DEQ) - \$1,000,000 issued August 10, 2017, principal due in annual installments of \$3,000 to \$34,000 through April 1, 2037, interest 0.4500% payable semiannually, payments are made from the Sewer Fund.

**\$ 506,701**

**Revenue Bonds:**

Water Revenue Bonds, Series 2019 - \$100,000 issued October 1, 2019, principal due in annual installments of \$9,000 to \$11,000 through October 1, 2029, interest 3.20% payable annually, payments are made from the Water Fund.

**91,000**

**Total**

**\$ 597,701**

The annual requirements to amortize all certificated of indebtedness outstanding at June 30, 2021, are as follows:

<b>Year Ended</b>	<b>Sewer Revenue Bonds, Series 2017 (DEQ)</b>		<b>Water Revenue Bonds, Series 2019</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
<b>June 30,</b>				
2022	\$ 29,000	\$ 2,280	\$ 9,000	\$ 2,912
2023	30,000	2,150	9,000	2,624
2024	30,000	2,015	10,000	2,336
2025	30,000	1,880	10,000	2,016
2026	31,000	1,745	10,000	1,696
2027-2031	158,000	6,617	43,000	3,488
2032-2036	165,000	3,004	-	-
2037	33,701	76	-	-
<b>Total</b>	<b><u>\$ 506,701</u></b>	<b><u>\$ 19,766</u></b>	<b><u>\$ 91,000</u></b>	<b><u>\$ 15,072</u></b>

**TOWN OF OAK GROVE  
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021**

**NOTE 6 – LONG-TERM OBLIGATIONS (CONTINUED)**

Long-term obligation activity for the year ended June 30, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Compensated absences	\$ 41,804	\$ 15,781	\$(15,781)	\$ 41,804	\$ 8,442
Net pension liability - MERS	256,816	44,072	-	300,888	-
Net pension liability - MPERS	<u>744,207</u>	<u>-</u>	<u>(45,625)</u>	<u>698,582</u>	<u>-</u>
<b>Governmental activity long-term liabilities</b>	<u>\$1,042,827</u>	<u>\$ 59,853</u>	<u>\$(61,406)</u>	<u>\$1,041,274</u>	<u>\$ 8,442</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Business-type activities:</b>					
Sewer Revenue Bonds, Series 2017 (DEQ)	\$ 535,701	\$ -	\$(29,000)	\$ 506,701	\$ 29,000
Water Revenue Bonds, Series 2019	100,000	-	(9,000)	91,000	9,000
Compensated absences	8,903	3,361	(3,361)	8,903	2,537
Net Pension Liability - MERS	<u>171,211</u>	<u>-</u>	<u>(23,012)</u>	<u>148,199</u>	<u>-</u>
<b>Business-type activity long-term liabilities</b>	<u>\$ 815,815</u>	<u>\$ 3,361</u>	<u>\$(64,373)</u>	<u>\$ 754,803</u>	<u>\$ 40,537</u>

As discussed in Note 1, upon separation from service, employees are paid for accumulated vacation leave at their then current rate of pay. Historically, adjustments to the compensated absences liability included adjusting the ending liability to ending pay rates and to limitations on the hours for which an employee will be paid. Management concluded that the 2019 liability balance is a fair estimate of the liability as of June 30, 2021. Additions were estimated. Deductions were assumed to be equal to additions to arrive at the same liability.

**TOWN OF OAK GROVE  
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021**

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**NOTE 7 – RETIREMENT SYSTEMS**

**Municipal Employees' Retirement System of Louisiana (System)**

*Plan Description*

The Town of Oak Grove contributes to the Municipal Employees' Retirement System of Louisiana (System) which is a cost sharing multiple employer defined benefit pension plan. 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 member of Plan B who was hired before January 1, 2013, can retire providing the member meets one of the following criteria:

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

Eligibility for retirement for Plan B members hired on or after January 1, 2013 is as follows:

1. Age 67 with seven or more years of creditable service.
2. Age 62 with ten or more years of creditable service.
3. Age 55 with thirty or more years of creditable service.
4. Any age with twenty-five years of creditable service, exclusive of military service and unused side leave. However, any member retiring under this subsection shall have their benefit actuarially reduced from the earliest age of which the member would be entitled to a vested deferred benefit under any provision of this section if the member had continued in service to that age.

Generally, the monthly amount of the retirement shall consist of an amount equal to 2% of the employee's final compensation multiplied by his or her years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. 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. The report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810, or by visiting the System's website [www.mersla.com](http://www.mersla.com).

**TOWN OF OAK GROVE  
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021**

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**NOTE 7 – RETIREMENT SYSTEMS (CONTINUED)**

**Municipal Employees' Retirement System of Louisiana (System) (Continued)**

*Contributions*

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended June 30, 2021, the actual employer contribution rate was 15.50% for Plan B, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities but are not considered special funding situations.

Under Plan B, members are required by state statute to contribute 5.00% of their annual covered salary. The contributions are deducted from the employee's wages or salary and remitted by the Town of Oak Grove to the System monthly. The Town of Oak Grove's contributions to the System under Plan B for the year ending June 30, 2021 were \$79,591.

**Municipal Police Employees' Retirement System of Louisiana (System)**

*Plan Description*

The Town of Oak Grove contributes to the Municipal Police Employees' Retirement System of Louisiana (System) which is a cost sharing multiple employer defined benefit pension plan. Membership in the System is mandatory for all full-time police officers employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing he or she does not have to pay social security and providing he or she meets the statutory criteria.

Any member of the Plan who was hired before January 1, 2013, can retire providing the member meets one of the following criteria:

1. Any age with 25 years of creditable service.
2. Age 50 with a minimum of twenty or more years of creditable service.
3. Age 55 with a minimum of twelve or more years of creditable service.
4. After 20 years of creditable service at any age, with an actuarially reduced benefit from age 55.

The monthly amount of benefits are 3 1/3% of their average final compensation (employee's average monthly earnings during the highest 36 consecutive or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Eligibility for retirement for members hired on or after January 1, 2013 is as follows:

*Hazardous Duty*

1. Any age with 25 years of creditable service.
2. Age 55 with twelve or more years of creditable service.
3. After 20 years of creditable service at any age, with an actuarially reduced benefit from age 55.

**TOWN OF OAK GROVE  
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021**

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**NOTE 7 – RETIREMENT SYSTEMS (CONTINUED)**

**Municipal Police Employees' Retirement System of Louisiana (System) (Continued)**

*Non-Hazardous Duty*

1. Any age with 30 years of creditable service.
2. Age 55 with 25 or more years of creditable service.
3. Age 60 with 10 or more years of creditable service.
4. After 20 years of creditable service at any age, with an actuarially reduced benefit from age 55.

The benefit rates are three percent and two and a half percent, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary. 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. The report may be obtained by writing to the Municipal Police Employees' Retirement System of Louisiana, 7722 Office Park Boulevard, Suite 200, Baton Rouge, Louisiana 70809, or by calling (225) 929-7411, or by visiting the System's website [www.lampers.org](http://www.lampers.org).

*Contributions*

According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ended June 30, 2021, the actual employer contribution rate was 33.75%, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities but are not considered special funding situations.

Members are required by state statute to contribute 10.00% of their annual covered salary. The contributions are deducted from the employee's wages or salary and remitted by the Town of Oak Grove to the System monthly. The Town of Oak Grove's contributions to the System for the year ending June 30, 2021, were \$190,780

**NOTE 8 – ON-BEHALF PAYMENTS**

Certain employees in the Town's police department receive supplemental pay from the state of Louisiana. In accordance with GASB Statement No. 24, the Town has recorded revenues and expenditures for these payments in the General Fund. Revenues under this arrangement totaled \$33,572. The related expenditures of \$33,572 are included in public safety expenditures in the General Fund.

**TOWN OF OAK GROVE  
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021**

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**NOTE 9 – COMMITMENTS AND CONTINGENCIES**

The Town operates water and sewer treatment plants. These operations pose a high risk for environmental liabilities. The Town is required to have EPA permits for wastewater. The Town relies on the EPA for periodic testing and inspections to help identify environmental liabilities or contingencies. The Town contracts with a professional wastewater management company to ensure compliance with the EPA regulations.

At June 30, 2021, the Town was not involved in any litigation.

**NOTE 10 – RISK MANAGEMENT**

The Town is exposed to various risks of loss relating to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties.

**NOTE 11 – STEWARDSHIP**

For the year ended June 30, 2021, the following funds' total expenditures and other uses exceeded final budgeted amounts:

<u>Fund</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Sales Tax	\$ 727,293	\$ 822,000	\$ 835,737	\$ (13,737)

**NOTE 12 – NEW ACCOUNTING STANDARDS**

The following summaries of recently issued Statements include the Statements' original effective dates. In response to the COVID-19 global pandemic, GASB issued Statement Number 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which changes effective dates for Statements 83 through 93 to June 15, 2020 through December 31, 2022.

GASB Statement No. 83, *Certain Asset Retirement Obligations*, was issued in November 2016. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. This statement is not expected to affect the Police Jury's financial statements.

**TOWN OF OAK GROVE  
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**NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021**

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**NOTE 12 –NEW ACCOUNTING STANDARDS (CONTINUED)**

GASB Statement No. 84, *Fiduciary Activities*, was issued in January 2017. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. This statement was implemented during 2019.

GASB Statement No. 87, *Leases*, was issued in June 2017. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, was issued in April 2018. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

**TOWN OF OAK GROVE  
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021**

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**NOTE 12 –NEW ACCOUNTING STANDARDS (CONTINUED)**

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, was issued June 2018. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged.

GASB Statement No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*, was issued August 2018. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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**NOTE 12 –NEW ACCOUNTING STANDARDS (CONTINUED)**

GASB Statement No. 91, *Conduit Debt Obligations*, was issued May 2019. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Earlier application is encouraged.

GASB Statement No. 92, *Omnibus 2020*, was issued January 2020. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reports, reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan, the applicability of Statements No. 73, 74, and 84, measurement of liabilities (and assets, if any) related to asset retirement obligations in a government acquisition, reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers, reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature, and terminology used to refer to derivative instruments.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, was issued March 2020. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, was issued March 2020. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. PPPs should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation (or if applicable to earlier periods, the beginning of the earliest period restated).

**TOWN OF OAK GROVE  
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021**

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**NOTE 12 –NEW ACCOUNTING STANDARDS (CONTINUED)**

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, The primary objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement are effective as follows: The requirements in (1) paragraph 4 of this Statement as it applies to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans and (2) paragraph 5 of this Statement are effective immediately. The requirements in paragraphs 6–9 of this Statement are effective for fiscal years beginning after June 15, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

**TOWN OF OAK GROVE  
OAK GROVE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021**

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**NOTE 12 –NEW ACCOUNTING STANDARDS (CONTINUED)**

GASB Statement No. 98, *The Annual Comprehensive Financial Report* was issued October 2021. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement’s introduction of the new term is founded on a commitment to promoting inclusiveness. The requirements of this Statement are effective for fiscal years ending after December 15, 2021. Earlier application is encouraged.

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF OAK GROVE  
OAK GROVE, LOUISIANA**

**GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget
<b>Revenues:</b>				
Taxes	\$185,000	\$ 193,000	<b>\$ 187,661</b>	\$ (5,339)
Intergovernmental revenues	110,000	162,000	<b>161,300</b>	(700)
Licenses and permits	118,000	118,000	<b>130,640</b>	12,640
Charges for services	7,000	10,000	<b>10,618</b>	618
Fines	54,000	37,000	<b>39,691</b>	2,691
Lease income	15,000	8,000	<b>9,554</b>	1,554
Interest earned	3,000	2,000	<b>1,483</b>	(517)
Other revenues	3,000	29,000	<b>11,124</b>	(17,876)
Total revenues	<u>495,000</u>	<u>559,000</u>	<u><b>552,071</b></u>	<u>(6,929)</u>
<b>Expenditures:</b>				
Current:				
General government	160,200	199,000	<b>200,690</b>	(1,690)
Public safety	463,184	450,184	<b>449,362</b>	822
Health and welfare	1,000	1,000	<b>1,157</b>	(157)
Culture and recreation	1,000	2,000	<b>1,157</b>	843
Capital outlay	-	40,000	<b>32,168</b>	7,832
Total expenditures	<u>625,384</u>	<u>692,184</u>	<u><b>684,534</b></u>	<u>7,650</u>
Excess (deficiency) of revenues over expenditures	<u>(130,384)</u>	<u>(133,184)</u>	<u><b>(132,463)</b></u>	<u>721</u>
<b>Other financing sources (uses):</b>				
Transfers in	180,000	140,000	<b>140,000</b>	-
Transfers out	(70,000)	-	-	-
Proceeds from sale of capital assets	-	3,000	<b>3,399</b>	399
Proceeds from insurance	-	-	<b>60,093</b>	60,093
Total other financing sources (uses)	<u>110,000</u>	<u>143,000</u>	<u><b>203,492</b></u>	<u>60,492</u>
<b>Net change in fund balances</b>	(20,384)	9,816	<b>71,029</b>	61,213
Fund balances at beginning of year	200,679	281,339	<b>225,273</b>	(56,066)
<b>Fund balances at end of year</b>	<u>\$180,295</u>	<u>\$ 291,155</u>	<u><b>\$ 296,302</b></u>	<u>\$ 5,147</u>

Note: This schedule is prepared on the modified accrual basis.

**TOWN OF OAK GROVE  
OAK GROVE, LOUISIANA**

**SPECIAL REVENUE FUND – SALES TAX FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget
<b>Revenues:</b>				
Taxes	\$ 755,000	\$ 873,000	\$ 903,008	\$ 30,008
Intergovernmental revenues	-	36,000	35,273	(727)
Interest earned	23,000	19,000	14,756	(4,244)
Other revenues	7,000	7,000	1,208	(5,792)
Total revenues	<u>785,000</u>	<u>935,000</u>	<u>954,245</u>	<u>19,245</u>
<b>Expenditures:</b>				
Current:				
General government	401,293	435,000	441,067	(6,067)
Public safety	25,000	25,000	24,855	145
Highways and streets	94,000	112,000	111,525	475
Health and welfare	4,000	4,000	5,913	(1,913)
Culture and recreation	33,000	8,000	13,615	(5,615)
Total expenditures	<u>557,293</u>	<u>584,000</u>	<u>596,975</u>	<u>(12,975)</u>
Excess (deficiency) of revenues over expenditures	<u>227,707</u>	<u>351,000</u>	<u>357,270</u>	<u>6,270</u>
Other financing sources:				
Transfers out	<u>(170,000)</u>	<u>(238,000)</u>	<u>(238,762)</u>	<u>(762)</u>
<b>Net change in fund balances</b>	57,707	113,000	118,508	5,508
Fund balances at beginning of year	<u>1,939,256</u>	<u>1,973,721</u>	<u>1,864,196</u>	<u>(109,525)</u>
<b>Fund balances at end of year</b>	<u>\$1,996,963</u>	<u>\$ 2,086,721</u>	<u>\$ 1,982,704</u>	<u>\$ (104,017)</u>

Note: This schedule is prepared on the modified accrual basis.

**TOWN OF OAK GROVE  
OAK GROVE, LOUISIANA**

**SPECIAL REVENUE FUND – STREET FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 89,000	\$ 89,000	\$ <b>85,584</b>	\$ (3,416)
Intergovernmental revenues	17,500	-	-	-
Interest earned	1,000	1,000	<b>407</b>	(593)
Other revenues	-	8,000	<b>8,268</b>	268
Total revenues	<u>107,500</u>	<u>98,000</u>	<u><b>94,259</b></u>	<u>(3,741)</u>
<b>Expenditures:</b>				
Current:				
General government	1,000	1,000	<b>1,147</b>	(147)
Highways and streets	79,000	80,000	<b>81,958</b>	(1,958)
Capital outlay	<u>22,500</u>	<u>30,000</u>	<u><b>22,308</b></u>	<u>7,692</u>
Total expenditures	<u>102,500</u>	<u>111,000</u>	<u><b>105,413</b></u>	<u>5,587</u>
Excess (deficiency) of revenues over expenditures	<u>5,000</u>	<u>(13,000)</u>	<u><b>(11,154)</b></u>	<u>1,846</u>
<b>Other financing sources:</b>				
Transfers in	5,000	22,000	<b>22,308</b>	308
Proceeds from sale of capital assets	-	1,000	<b>1,250</b>	250
Total other financing sources	<u>5,000</u>	<u>23,000</u>	<u><b>23,558</b></u>	<u>558</u>
<b>Net change in fund balances</b>	10,000	10,000	<b>12,404</b>	2,404
Fund balances at beginning of year	<u>63,286</u>	<u>67,463</u>	<u><b>58,640</b></u>	<u>(8,823)</u>
<b>Fund balances at end of year</b>	<u>\$ 73,286</u>	<u>\$ 77,463</u>	<u><b>\$ 71,044</b></u>	<u>\$ (6,419)</u>

Note: This schedule is prepared on the modified accrual basis.

**TOWN OF OAK GROVE  
OAK GROVE, LOUISIANA**

**SPECIAL REVENUE FUND – ECONOMIC DEVELOPMENT FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental revenues	\$ -	\$ 4,000	\$ 3,629	\$ (371)
Lease income	9,000	9,000	8,600	(400)
Interest earned	1,000	3,000	2,144	(856)
Other revenues	-	14,000	13,600	(400)
Total revenues	<u>10,000</u>	<u>30,000</u>	<u>27,973</u>	<u>(2,027)</u>
<b>Expenditures:</b>				
Economic development	1,000	150,000	1,082	148,918
Capital outlay	-	-	44,648	(44,648)
Total expenditures	<u>1,000</u>	<u>150,000</u>	<u>45,730</u>	<u>104,270</u>
Excess (deficiency) of revenues over expenditures	<u>9,000</u>	<u>(120,000)</u>	<u>(17,757)</u>	<u>102,243</u>
<b>Net change in fund balances</b>	9,000	(120,000)	(17,756)	102,243
Fund balances at beginning of year	<u>247,710</u>	<u>188,395</u>	<u>247,003</u>	<u>58,608</u>
<b>Fund balances at end of year</b>	<u>\$256,710</u>	<u>\$ 68,395</u>	<u>\$ 229,246</u>	<u>\$ 160,851</u>

Note: This schedule is prepared on the modified accrual basis.

**TOWN OF OAK GROVE  
OAK GROVE, LOUISIANA**

**SPECIAL REVENUE FUND – CEMETERY FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget
<b>Revenues:</b>				
Taxes	\$ 32,000	\$ 32,000	\$ 34,137	\$ 2,137
Charges for services	5,000	7,000	6,000	(1,000)
Interest earned	4,000	5,000	5,181	181
Other revenues	-	-	24	24
Total revenues	<u>41,000</u>	<u>44,000</u>	<u>45,342</u>	<u>1,342</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	1,000	1,000	556	444
Cemeteries	<u>8,000</u>	<u>22,000</u>	<u>13,876</u>	<u>8,124</u>
Total expenditures	<u>9,000</u>	<u>23,000</u>	<u>14,432</u>	<u>8,568</u>
Excess (deficiency) of revenues over expenditures	<u>32,000</u>	<u>21,000</u>	<u>30,910</u>	<u>9,910</u>
<b>Other financing sources (uses):</b>				
Transfers in	<u>-</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
<b>Net change in fund balances</b>	32,000	22,000	31,909	9,910
Fund balances at beginning of year	<u>297,541</u>	<u>321,134</u>	<u>298,125</u>	<u>(23,010)</u>
<b>Fund balances at end of year</b>	<u>\$ 329,541</u>	<u>\$ 343,134</u>	<u>\$ 330,034</u>	<u>\$ (13,100)</u>

Note: This schedule is prepared on the modified accrual basis.

**OTHER SUPPLEMENTARY SCHEDULES**

**TOWN OF OAK GROVE  
OAK GROVE, LOUISIANA**

**SCHEDULE OF COMPENSATION, BENEFITS, REIMBURSEMENTS  
AND OTHER PAYMENTS TO OR ON BEHALF OF AGENCY HEAD  
FOR THE YEAR ENDED JUNE 30, 2021**

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Adam T. Holland, Mayor:

Salary	\$ 18,000
Benefits	1,377
Reimbursements:	
Conference registrations and travel expenses	2,603
Mileage	<u>288</u>
Total	<u>\$ 22,268</u>

**TOWN OF OAK GROVE  
OAK GROVE, LOUISIANA**

**SCHEDULE OF COMPENSATION TO TOWN COUNCIL  
FOR THE YEAR ENDED JUNE 30, 2021**

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Cherry P. Rye, Mayor Pro-Tem	\$ 1,200
Richard B. Allen	1,000
Roy M. Gammill	1,200
Todd Nevels	1,000
Garland C. Walker	<u>1,100</u>
Total	<u><u>\$ 5,500</u></u>

**Town of Oak Grove**  
**Justice System Funding Schedule - Collecting/Disbursing Entity**  
**As Required by Act 87 of the 2020 Regular Legislative Session**  
**FYE 6/30/2021**

	<b>First Six Month Period Ended 12/31/2020</b>	<b>Second Six Month Period Ended 6/30/2021</b>
<b>Beginning Balance of Amounts Collected (i.e. cash on hand)</b>	-	-
<b>Add: Collections</b>		
Criminal Court Costs/Fees	3,189	5,718
Criminal Fines - Other	13,607	17,917
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	520	657
<b>Subtotal Collections</b>	<b>17,316</b>	<b>24,292</b>
<b>Less: Disbursements To Governments &amp; Nonprofits:</b> <i>(Must include one agency name and one collection type on each line and may require multiple lines for the same agency if more than one collection type is applicable. Additional rows may be added as necessary.)</i>		
<i>Town of Oak Grove, Criminal Court Costs/Fees</i>	2,817	5,470
<i>Town of Oak Grove, Criminal Fines - Other</i>	13,607	17,917
<i>DHH THSCI</i>	160	85
<i>Louisiana Supreme Court</i>	44	54
<i>Treasurer, State of Louisiana- CMIS</i>	88	108
<i>North Louisiana Criminalistics Laboratory Commission</i>	80	-
<b>Less: Amounts Retained by Collecting Agency</b>		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	520	658
<b>Subtotal Disbursements/Retainage</b>	<b>17,316</b>	<b>24,292</b>
<b>Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)</b>	-	-
<b>Ending Balance of "Partial Payments" Collected but not Disbursed</b> <i>(only applies if collecting agency does not disburse partial payments until fully collected) - This balance is included in the Ending Balance of Amounts Collected but not Disbursed/Retained above.</i>	-	-

## **OTHER REPORTS**



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*

**To the Honorable Adam Holland, Mayor  
and Honorable Members of the Town Council  
Town of Oak Grove  
Oak Grove, Louisiana**

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities, the business-type activities, and each major fund, of the Town of Oak Grove, Louisiana (the Town), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated May 5, 2022.

**Internal Control over Financial Reporting**

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

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Town of Oak Grove  
Oak Grove, Louisiana  
Independent Auditor's Report - GAGAS  
June 30, 2021

**Purpose of this Report**

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

BOSCH & STATHAM, LLC

A handwritten signature in blue ink that reads "Bosch & Statham".

Ruston, Louisiana  
May 5, 2022

**TOWN OF OAK GROVE  
OAK GROVE, LOUISIANA**

**SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2021**

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**SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an unmodified opinion on whether the financial statements of the Town of Oak Grove, Louisiana were prepared in accordance with GAAP.
2. No significant deficiencies or material weaknesses are reported in the 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*.
3. No instances of noncompliance material to the financial statements of the Town of Oak Grove, Louisiana, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

**TOWN OF OAK GROVE  
OAK GROVE, LOUISIANA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2021**

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**PRIOR AUDIT FINDINGS – FINANCIAL STATEMENTS AUDIT**

No prior year findings.