

TOWN OF JENA, LOUISIANA
ANNUAL FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2019
AND FOR THE YEAR THEN ENDED
WITH
INDEPENDENT AUDITOR'S REPORT



SILAS SIMMONS LLP
CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

TOWN OF JENA, LOUISIANA
Annual Financial Statements
As of and for the Year Ended December 31, 2019

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INDEPENDENT AUDITOR'S REPORT

The Honorable LaDawn Edwards, Mayor
and Members of the Town Council
Town of Jena, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Jena, Louisiana (the Town) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of and for the year ended December 31, 2019, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8 and budgetary comparison schedules, the schedule of the Town's proportionate share of the net pension liability, and the schedule of the Town's contributions on pages 40 through 48 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.

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 combining and individual fund statements and other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basis financial statements.

The combining and individual fund statements, the Schedule of Expenditures of Federal Awards, and other supplementary information 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, individual fund statements, the Schedule of Expenditures of Federal Awards, and other supplementary information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2020, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

This report is intended for the information of the Mayor, Members of the Town Council, and the Legislative Auditor of the State of Louisiana and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Silas Simmons, CPA

Natchez, Mississippi
June 16, 2020

REQUIRED SUPPLEMENTARY INFORMATION (PART I)

TOWN OF JENA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019

The management of Town of Jena, Louisiana (the Town) offers readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the year ended December 31, 2019. This Management's Discussion and Analysis (MD&A) is designed to provide an objective analysis of the Town's financial activities based on currently known facts, decisions, and conditions. It is intended to provide readers with a broad overview of the Town's finances. It is also intended to provide readers with an analysis of the Town's short-term and long-term activities based on information presented in the financial report and fiscal policies that have been adopted by the Town. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the Town's financial activity, identify changes in the Town's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

The Town presents its financial statements under the reporting model required by the Governmental Accounting Standards Board Statement 34. This reporting model changes the presentation of financial data, and also the manner in which the information is recorded. We encourage readers to consider the information presented here in conjunction with additional information presented throughout this report.

Overview of the Financial Statements

This section is intended to serve as an introduction to the Town's financial statements. The Town's basic financial statements consist of the government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information, which is in addition to the basic financial statements.

Government-Wide Financial Statements

Government-wide financial statements are designed by GASB Statement 34 to change the way in which governmental financial statements are presented. It now provides readers with a concise "entity-wide" statement of net position and statement of activities, which seek to give the user of the financial statements a broad overview of the Town's financial position and results of operations in a manner similar to private-sector businesses.

The statement of net position presents information on all of the Town's assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. The difference between the two is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or weakening.

The statement of activities presents information which shows how the government's net position changed during this year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes).

Each of these reports is broken down between governmental activities and business-type activities. Governmental activities normally are those activities that are supported by taxes, licenses, permits, fines, and intergovernmental revenues; for example, the police and fire departments. Business-type activities are functions that are intended to support their costs through charges for services or fees; such as the water, gas, and sewer departments.

TOWN OF JENA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019

Government-Wide Financial Analysis

As noted earlier, net position may, over time, serve as a useful indicator of a government's financial position. At the close of the most recent year, the Town's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$10,725,694 (net position); this represents an increase of \$787,983 from last year. Of this total net asset amount, \$35,457 is unrestricted net position. The Town's net position is comprised of \$6,203,340 from governmental activities and \$4,522,354 from business-type activities.

The following is a condensed statement of the Town's net position as of December 31, 2019 and 2018:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Assets						
Current and other assets	\$ 2,071,597	\$ 2,068,940	\$ 2,247,890	\$ 2,078,700	\$ 4,319,487	\$ 4,147,640
Capital assets (net)	<u>6,555,468</u>	<u>5,834,575</u>	<u>2,469,077</u>	<u>2,552,570</u>	<u>9,024,545</u>	<u>8,387,145</u>
Total assets	<u>\$ 8,627,065</u>	<u>\$ 7,903,515</u>	<u>\$ 4,716,967</u>	<u>\$ 4,631,270</u>	<u>\$ 13,344,032</u>	<u>\$ 12,534,785</u>
Deferred outflows of resources						
Deferred outflows	<u>\$ 823,343</u>	<u>\$ 880,042</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 823,343</u>	<u>\$ 880,042</u>
Total deferred outflows of resources	<u>\$ 823,343</u>	<u>\$ 880,042</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 823,343</u>	<u>\$ 880,042</u>
Liabilities						
Other liabilities	\$ 105,324	\$ 64,335	\$ 194,613	\$ 169,533	\$ 299,937	\$ 233,868
Net pension liability	<u>2,902,026</u>	<u>2,945,446</u>	<u>-</u>	<u>-</u>	<u>2,902,026</u>	<u>2,945,446</u>
Total liabilities	<u>\$ 3,007,350</u>	<u>\$ 3,009,781</u>	<u>\$ 194,613</u>	<u>\$ 169,533</u>	<u>\$ 3,201,963</u>	<u>\$ 3,179,314</u>
Deferred inflows of resources						
Deferred inflows	<u>\$ 239,718</u>	<u>\$ 297,802</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 239,718</u>	<u>\$ 297,802</u>
Total deferred inflows of resources	<u>\$ 239,718</u>	<u>\$ 297,802</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 239,718</u>	<u>\$ 297,802</u>
Net position						
Invested in capital assets, net	\$ 6,555,468	\$ 5,834,575	\$ 2,469,077	\$ 2,552,570	\$ 9,024,545	\$ 8,387,145
Restricted sales and use tax	1,665,682	1,741,695	-	-	1,665,682	1,741,695
Restricted for capital projects	10	10	-	-	10	10
Unrestricted	<u>(2,017,820)</u>	<u>(2,100,306)</u>	<u>2,053,277</u>	<u>1,909,167</u>	<u>35,457</u>	<u>(191,139)</u>
Total net position	<u>\$ 6,203,340</u>	<u>\$ 5,475,974</u>	<u>\$ 4,522,354</u>	<u>\$ 4,461,737</u>	<u>\$ 10,725,694</u>	<u>\$ 9,937,711</u>

By far the largest portion of the Town's net position (\$9,024,545 or 84%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, Town infrastructure, etc.) less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

TOWN OF JENA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019

Government-Wide Financial Analysis (continued)

The remaining balance is comprised of \$35,457 (or 1%) unrestricted net position, which may be used to meet the government's on-going obligations to citizens and creditors, \$1,665,682 (or 15%) restricted 1% sales and use tax proceeds, and \$10 (or less than 1%) restricted net position, which have been designated for capital projects.

Total liabilities of \$3,201,963 are equal to 29% of the total net position.

The Town's governmental activities increased net position by \$727,366 and was primarily due to a grant for street infrastructure improvements. The Town's business-type activities increased net position by \$60,617. This increase is primarily due to transfers from other funds.

The following is a summary of the statement of activities for the years ended December 31, 2019 and 2018:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenue						
Program revenue	\$ 1,297,115	\$ 511,974	\$ 1,944,911	\$ 1,935,664	\$ 3,242,026	\$ 2,447,638
General revenue and transfers	<u>1,497,824</u>	<u>1,452,313</u>	<u>72,236</u>	<u>(2,762)</u>	<u>1,570,060</u>	<u>1,449,551</u>
Total revenue and transfers	<u>\$ 2,794,939</u>	<u>\$ 1,964,287</u>	<u>\$ 2,017,147</u>	<u>\$ 1,932,902</u>	<u>\$ 4,812,086</u>	<u>\$ 3,897,189</u>
Expenses						
General and administrative	\$ 417,969	\$ 502,222	\$ -	\$ -	\$ 417,969	\$ 502,222
Public safety	775,605	790,887	-	-	775,605	790,887
Parks and streets	547,786	511,251	-	-	547,786	511,251
Sanitation	208,776	212,688	-	-	208,776	212,688
Recreation	117,437	131,884	-	-	117,437	131,884
Combined utilities	-	-	<u>1,956,530</u>	<u>2,012,550</u>	<u>1,956,530</u>	<u>2,012,550</u>
Total expenses	<u>\$ 2,067,573</u>	<u>\$ 2,148,932</u>	<u>\$ 1,956,530</u>	<u>\$ 2,012,550</u>	<u>\$ 4,024,103</u>	<u>\$ 4,161,482</u>
Change in net position	\$ 727,366	\$ (184,645)	\$ 60,617	\$ (79,648)	\$ 787,983	\$ (264,293)
Net position, beginning	<u>5,475,974</u>	<u>5,660,619</u>	<u>4,461,737</u>	<u>4,541,385</u>	<u>9,937,711</u>	<u>10,202,004</u>
Net position, ending	<u>\$ 6,203,340</u>	<u>\$ 5,475,974</u>	<u>\$ 4,522,354</u>	<u>\$ 4,461,737</u>	<u>\$ 10,725,694</u>	<u>\$ 9,937,711</u>

Governmental Activities

The governmental activities of the Town include General Government, Public Safety, Public Works, Recreation, and Payment of Interest on Long-Term Debt. In that revenues normally associated with municipal operations (e.g., sales tax, property tax, franchise fees, license fees, sanitation fees, permits, fines, and operating grants) are insufficient for the funding of these activities, the Town relies on transfers of excess revenue from its special revenue fund and enterprise fund to cover the cost of all activities.

TOWN OF JENA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019

Government-Wide Financial Analysis (continued)

Business-Type Activities

The business-type activities of the Town are those that charge a fee to customers for the services provided. The Town has one business-type activity, which is accounted for in the enterprise fund. The Town uses the enterprise fund to account for the revenues and expenses related to the provision of water, gas, and sewer services.

The following is a summary of the business-type activities of the Town:

	<u>Operating Revenues</u>			
	<u>Water</u>	<u>Gas</u>	<u>Sewer</u>	<u>Total</u>
Year ended December 31, 2018	\$ 737,866	\$ 844,284	\$ 353,514	\$ 1,935,664
Year ended December 31, 2019	<u>736,741</u>	<u>822,935</u>	<u>385,235</u>	<u>1,944,911</u>
Increase (decrease) between years	<u>\$ (1,125)</u>	<u>\$ (21,349)</u>	<u>\$ 31,721</u>	<u>\$ 9,247</u>
	<u>Operating Expenses</u>			
	<u>Water</u>	<u>Gas</u>	<u>Sewer</u>	<u>Total</u>
Year ended December 31, 2018	\$ 639,176	\$ 716,860	\$ 656,514	\$ 2,012,550
Year ended December 31, 2019	<u>583,787</u>	<u>712,637</u>	<u>660,106</u>	<u>1,956,530</u>
Increase (decrease) between years	<u>\$ (55,389)</u>	<u>\$ (4,223)</u>	<u>\$ 3,592</u>	<u>\$ (56,020)</u>
	<u>Operating Income (Loss)</u>			
	<u>Water</u>	<u>Gas</u>	<u>Sewer</u>	<u>Total</u>
Year ended December 31, 2018	\$ 98,690	\$ 127,424	\$ (303,000)	\$ (76,886)
Year ended December 31, 2019	<u>152,954</u>	<u>110,298</u>	<u>(274,871)</u>	<u>(11,619)</u>
Increase (decrease) between years	<u>\$ 54,264</u>	<u>\$ (17,126)</u>	<u>\$ 28,129</u>	<u>\$ 65,267</u>

The reasons for the major fluctuations noted above are as follows:

Revenues increased by approximately 1% during the year primarily due to an increase in sewer sales that offset small decreases in water and gas sales. Expenses decreased by approximately 3% during the year primarily due to decreases in purchases across the utility services.

TOWN OF JENA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2019

Fund Financial Statements - Governmental Funds

The fund financial statements provide more detailed information about the Town's most significant funds, not the Town as a whole. Funds are accounting devices that the Town uses to keep track of specific sources of funding and spending for a particular purpose.

The Town currently maintains three governmental fund types. They are the General, Special Revenue, and Capital Projects Fund. The Town also maintains two agency funds; they are the Payroll Clearing Fund and the Accounts Payable Clearing Fund. The General Fund and Special Revenue Fund are presented separately in the Governmental Funds Balance Sheet (Statement C) and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances (Statement E) because they are considered to be major funds.

The Town adopts annual budgets for the General and the Special Revenue Funds. Statements of revenues, expenditures, and changes in fund balance are presented in the Required Supplementary Information (Part II), which compares actual revenues and expenditures to the original budget and amended budget figures.

Financial Analysis of the Town's Governmental Funds

The Town's governmental funds reported an ending fund balance of \$1,966,273, which is a decrease of \$38,332. \$10 is reserved for capital projects, \$1,665,682 is restricted by the 1% sales and use tax, and the remaining fund balance of \$300,581 is unreserved.

Fund Financial Statements - Proprietary Funds

The Town maintains one proprietary fund. Proprietary funds are used to report the same functions as business-type activities. The Town uses an enterprise fund (the first type of proprietary fund) to account for its combined water, gas, and sewer operations. This enterprise fund reports the same functions presented as business-type activities in the government-wide financial statements.

Financial Analysis of the Town's Proprietary Fund

The Town's proprietary fund showed an increase in the ending fund balance of \$60,617 and an operating loss in the municipal utilities system of \$11,619. The overall decrease in the municipal utilities system was the result of the loss on the sewer utility and reduced operating income on the gas system. The gas and water systems showed a positive operating income before transfers.

In that financial statements of enterprise funds are presented on the same basis of accounting as in both the government-wide financial statements and the individual fund statements, all comments and analysis made under business-type activities apply to these funds.

General Fund and Sales Tax Special Revenue Fund Budgetary Highlights

General Fund

Budgeted amounts were not amended during the year. The General Fund has an overall positive variance of \$36,873. This variance was primarily due to less than budgeted general government expenses. Overall revenues have a negative variance of (\$55,326).

TOWN OF JENA, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019

Fund Financial Statements - Proprietary Funds (continued)

General Fund and Sales Tax Special Revenue Fund Budgetary Highlights (continued)

Sales Tax Special Revenue Fund

Sales tax revenues were higher than budgeted by \$92,511. General expenditures were more than budgeted by \$773. Operating transfers-out were less than budgeted by \$144,849. Overall, the Sales Tax Special Revenue Fund had a positive variance of \$236,587.

Capital Asset and Debt Administration

The total investment in net capital assets during the year ending December 31, 2019, was \$9,024,545. New major capital assets additions acquired, purchased, or constructed were as follows:

1. Improvements to sewer line for \$30,258.
2. Purchase of utility truck for \$21,996.
3. Purchase of street department truck for \$18,801.
4. Purchase of police vehicle for \$28,148.
5. Purchase of lawn mower for \$3,245.
6. Miscellaneous equipment purchased for \$23,735.
7. Engineering Services for \$7,049.
8. Continued rehabilitation to Strand Theatre for \$4,280.
9. Improvements to street infrastructure for \$933,572.
10. Purchase of 2240 East Oak Street for \$40,887.
11. Miscellaneous maintenance equipment purchased for \$45,274.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all with an interest in the government's operations. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Cory Floyd, Municipal Clerk, 2908 East Oak Street, Jena, Louisiana 71342.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWN OF JENA, LOUISIANA

STATEMENT OF NET POSITION

DECEMBER 31, 2019

	Governmental Activities	Business- Type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 615,064	\$ 844,719	\$ 1,459,783
Receivables (net of allowances for uncollectibles)	273,128	276,500	549,628
Internal balances	(8,301)	8,301	-
Other assets	21,163	216,964	238,127
Restricted assets	1,170,543	901,406	2,071,949
Capital assets (net)	6,555,468	2,469,077	9,024,545
Total assets	\$ 8,627,065	\$ 4,716,967	\$ 13,344,032
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred outflows - municipal employees' pension	\$ 394,107	\$ -	\$ 394,107
Deferred outflows - municipal police employees' pension	75,732	-	75,732
Deferred outflows - firefighters' pension	353,504	-	353,504
Total deferred outflows of resources	\$ 823,343	\$ -	\$ 823,343
<u>LIABILITIES</u>			
Accounts, salaries, and other payables	\$ 105,324	\$ 44,728	\$ 150,052
Payables from restricted assets	-	149,885	149,885
Net pension liability	2,902,026	-	2,902,026
Total liabilities	\$ 3,007,350	\$ 194,613	\$ 3,201,963
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred inflows - municipal employees' pension	\$ 201,765	\$ -	\$ 201,765
Deferred inflows - municipal police employees' pension	13,185	-	13,185
Deferred inflows - firefighters' pension	24,768	-	24,768
Total deferred inflows of resources	\$ 239,718	\$ -	\$ 239,718
<u>NET POSITION</u>			
Invested in capital assets, net of related debt	\$ 6,555,468	\$ 2,469,077	\$ 9,024,545
Restricted sales and use tax	1,665,682	-	1,665,682
Restricted for capital projects	10	-	10
Unrestricted	(2,017,820)	2,053,277	35,457
Total net position	\$ 6,203,340	\$ 4,522,354	\$ 10,725,694

The accompanying notes are an integral part of this financial statement.

TOWN OF JENA, LOUISIANA

STATEMENT B

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2019

	Expenses	Program Revenues			Net (Expenses)/ Revenue	Net (Expenses), Revenues, and Changes		Total
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Governmental Activities	Business-Type Activities	
<u>Governmental Activities</u>								
General government	\$ 417,969	\$ -	\$ 5,950	\$ -	\$ (412,019)	\$ (412,019)	\$ -	\$ (412,019)
Public safety	775,605	198,937	-	-	(576,668)	(576,668)	-	(576,668)
Parks and streets	547,786	9,355	-	892,518	354,087	354,087	-	354,087
Sanitation	208,776	179,627	-	-	(29,149)	(29,149)	-	(29,149)
Recreation	117,437	10,728	-	-	(106,709)	(106,709)	-	(106,709)
Total governmental activities	\$ 2,067,573	\$ 398,647	\$ 5,950	\$ 892,518	\$ (770,458)	\$ (770,458)	\$ -	\$ (770,458)
<u>Business-Type Activities</u>								
Water	\$ 583,787	\$ 736,741	\$ -	\$ -	\$ 152,954	\$ -	\$ 152,954	\$ 152,954
Gas	712,637	822,935	-	-	110,298	-	110,298	110,298
Sewer	660,106	385,235	-	-	(274,871)	-	(274,871)	(274,871)
Total business-type activities	\$ 1,956,530	\$ 1,944,911	\$ -	\$ -	\$ (11,619)	\$ -	\$ (11,619)	\$ (11,619)
Total	\$ 4,024,103	\$ 2,343,558	\$ 5,950	\$ 892,518	\$ (782,077)	\$ (770,458)	\$ (11,619)	\$ (782,077)
General Revenue								
Taxes						\$ 1,295,002	\$ -	\$ 1,295,002
Licenses and permits						235,270	-	235,270
Intergovernmental revenues						4,556	-	4,556
Investment earnings						13,259	17,958	31,217
Other general revenues						4,015	-	4,015
Transfers						(54,278)	54,278	-
Total general revenues and transfers						\$ 1,497,824	\$ 72,236	\$ 1,570,060
Change in net position						\$ 727,366	\$ 60,617	\$ 787,983
Net position - beginning						5,475,974	4,461,737	9,937,711
Net position - ending						\$ 6,203,340	\$ 4,522,354	\$ 10,725,694

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

TOWN OF JENA, LOUISIANA

BALANCE SHEET
GOVERNMENTAL FUNDS

DECEMBER 31, 2019

	Major Funds		Other Governmental Funds	Total Governmental Funds
	General Fund	Sales Tax Fund		
<u>ASSETS</u>				
Cash and cash equivalents	\$ 109,211	\$ 1,560,203	\$ 116,193	\$ 1,785,607
Receivables (net of allowances for uncollectibles)	167,649	105,479	-	273,128
Other assets	21,163	-	-	21,163
Due from other funds	117,478	-	-	117,478
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	\$ 415,501	\$ 1,665,682	\$ 116,193	\$ 2,197,376
	<hr/>	<hr/>	<hr/>	<hr/>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 105,324	\$ -	\$ -	\$ 105,324
Due to other funds	9,596	-	116,183	125,779
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	\$ 114,920	\$ -	\$ 116,183	\$ 231,103
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances:				
Restricted for:				
Sales and use tax	\$ -	\$ 1,665,682	\$ -	\$ 1,665,682
Capital projects	-	-	10	10
Unassigned, reported in:				
General fund	300,581	-	-	300,581
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances	\$ 300,581	\$ 1,665,682	\$ 10	\$ 1,966,273
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	\$ 415,501	\$ 1,665,682	\$ 116,193	\$ 2,197,376
	<hr/>	<hr/>	<hr/>	<hr/>

The accompanying notes are an integral part of this financial statement.

TOWN OF JENA, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

DECEMBER 31, 2019

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund Balances, Total Governmental Funds (Statement C)		\$	1,966,273
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.			6,555,468
Deferred outflows and inflows are not financial resources or currently payable.			
Deferred outflows of resources	\$	823,343	
Deferred inflows of resources		<u>(239,718)</u>	583,625
Long-term net pension liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.			<u>(2,902,026)</u>
Net Position of Governmental Activities (Statement A)		\$	<u><u>6,203,340</u></u>

The accompanying notes are an integral part of this financial statement.

TOWN OF JENA, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2019

	Major Funds		Other Governmental Funds	Total Governmental Funds
	General Fund	Sales Tax Fund		
<u>REVENUES</u>				
Taxes	\$ 227,452	\$ 1,067,550	\$ -	\$ 1,295,002
Licenses and permits	235,270	-	-	235,270
Intergovernmental revenues	33,099	-	-	33,099
Charges for services	313,289	-	-	313,289
Fines and forfeitures	56,815	-	-	56,815
Investment earnings	98	13,161	-	13,259
Grants and contributions	898,468	-	-	898,468
Other revenues	4,015	-	-	4,015
Total revenues	<u>\$ 1,768,506</u>	<u>\$ 1,080,711</u>	<u>\$ -</u>	<u>\$ 2,849,217</u>
<u>EXPENDITURES</u>				
General government	\$ 365,875	\$ 16,573	\$ -	\$ 382,448
Public safety	812,547	-	-	812,547
Parks and streets	1,417,249	-	-	1,417,249
Sanitation	176,784	-	-	176,784
Recreation	44,243	-	-	44,243
Total expenditures	<u>\$ 2,816,698</u>	<u>\$ 16,573</u>	<u>\$ -</u>	<u>\$ 2,833,271</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (1,048,192)</u>	<u>\$ 1,064,138</u>	<u>\$ -</u>	<u>\$ 15,946</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers - in	\$ 1,085,873	\$ -	\$ -	\$ 1,085,873
Transfers - out	-	(1,140,151)	-	(1,140,151)
Total other financing sources (uses)	<u>\$ 1,085,873</u>	<u>\$ (1,140,151)</u>	<u>\$ -</u>	<u>\$ (54,278)</u>
Net change in fund balance	\$ 37,681	\$ (76,013)	\$ -	\$ (38,332)
Fund balances - beginning	262,900	1,741,695	10	2,004,605
Fund balances - ending	<u>\$ 300,581</u>	<u>\$ 1,665,682</u>	<u>\$ 10</u>	<u>\$ 1,966,273</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF JENA, LOUISIANA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2019

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

Net Change in Fund Balances, Total Governmental Funds (Statement E)	\$	(38,332)
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 capital outlays exceeded depreciation in the current period.		721,352
Net pension expense is reported in governmental funds as expenditures as they are paid; however, in the statement of activities, the net pension expense is reported according to estimates required by GASB 68. This is the amount that the pension estimate exceeds the pension expenses paid in the current year.		<u>44,346</u>
Change in Net Position of Governmental Activities (Statement B)	\$	<u><u>727,366</u></u>

The accompanying notes are an integral part of this financial statement.

PROPRIETARY FUNDS

TOWN OF JENA, LOUISIANA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

DECEMBER 31, 2019

	<u>Enterprise Funds</u>
<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	\$ 844,719
Receivables (net of allowances for uncollectibles)	268,705
Due from other governments	6,666
Other receivables	1,129
Due from other funds	51,702
Prepaid expenses	98,504
Inventory	118,460
	<hr/>
Total current assets	\$ 1,389,885
Noncurrent assets	
Restricted assets:	
Cash and cash equivalents	\$ 901,406
Capital assets (net of accumulated depreciation)	2,469,077
	<hr/>
Total noncurrent assets	\$ 3,370,483
	<hr/>
Total assets	\$ 4,760,368
	<hr/>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	\$ 44,728
Due to other funds	43,401
	<hr/>
Total current liabilities	\$ 88,129
Current liabilities payable from restricted assets	
Consumer meter deposits	\$ 149,885
	<hr/>
Total current liabilities payable from restricted assets	\$ 149,885
	<hr/>
Total liabilities	\$ 238,014
	<hr/>
<u>NET POSITION</u>	
Invested in capital assets, net of related debt	\$ 2,469,077
Unrestricted	2,053,277
	<hr/>
Total net position	\$ 4,522,354
	<hr/>

The accompanying notes are an integral part of this financial statement.

TOWN OF JENA, LOUISIANA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Enterprise Funds</u>
<u>OPERATING REVENUES</u>	
Charges for services:	
Water sales	\$ 717,255
Gas sales	801,169
Sewer charges	375,046
Other operating revenue	<u>51,441</u>
Total operating revenues	<u>\$ 1,944,911</u>
<u>OPERATING EXPENSES</u>	
Personal services	\$ 843,335
Purchase of utilities provided	220,811
Materials and supplies	271,235
Repairs and maintenance	45,625
Depreciation	182,157
Utilities and telephone	92,599
Insurance	103,845
Bad debts/recoveries	8,762
Other operating expenses	<u>188,161</u>
Total operating expenses	<u>\$ 1,956,530</u>
Operating loss	<u>\$ (11,619)</u>
Nonoperating Revenues	
Interest earnings	<u>\$ 17,958</u>
Total nonoperating revenues	<u>\$ 17,958</u>
Income before transfers	\$ 6,339
Transfers - in	445,278
Transfers - out	<u>(391,000)</u>
Change in net position	\$ 60,617
Total net position - beginning	<u>4,461,737</u>
Total net position - ending	<u><u>\$ 4,522,354</u></u>

The accompanying notes are an integral part of this financial statement.

TOWN OF JENA, LOUISIANA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2019

	Enterprise Funds
Cash flows from operating activities	
Cash received from customers	\$ 1,987,519
Payments to suppliers for goods and services	(932,154)
Payments to and on behalf of employees for services	(843,336)
Net cash provided by operating activities	\$ 212,029
Cash flows from noncapital financing activities	
Operating transfers from other funds	\$ 427,200
Operating transfers to other funds	(388,129)
Net cash provided by noncapital financing activities	\$ 39,071
Cash flows from capital and related financing activities	
Purchase of capital assets	\$ (98,664)
Net cash used for capital and related financing activities	\$ (98,664)
Cash flows from investing activities	
Interest on temporary investments	\$ 17,958
Net cash provided by investing activities	\$ 17,958
Net increase in cash and cash equivalents	\$ 170,394
Cash and cash equivalents, beginning of year	1,575,731
Cash and cash equivalents, end of year	\$ 1,746,125
Reconciliation of operating loss to net cash provided by operating activities	
Operating loss	\$ (11,619)
Adjustments to reconcile operating loss to net cash provided by operating activities	
Depreciation	\$ 182,157
Change in assets and liabilities	
(Increase) decrease in:	
Accounts receivable - customers	26,034
Intergovernmental receivables	(1,725)
Prepaid expenses	(847)
Inventory	(7,049)
Increase (decrease) in:	
Accounts payable and accrued liabilities	15,545
Customer deposits	9,533
Total adjustments	\$ 223,648
Net cash provided by operating activities	\$ 212,029

The accompanying notes are an integral part of this financial statement.

NOTES TO THE BASIC FINANCIAL STATEMENTS

TOWN OF JENA, LOUISIANA
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2019

INTRODUCTION

The Town of Jena, Louisiana (the Town) was incorporated by proclamation of the Governor in 1906, under the provisions of the Lawrason Act. The Town operates under the Mayor-Town Council form of government and provides the following services: public safety (police and fire), streets, sanitation, recreation, public improvements, planning and zoning, provision of gas and water utilities, sewer services, and general services.

The financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Town are discussed below.

GASB Statement 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the municipality 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. As used in GASB Statement 14, fiscally independent means that the municipality may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

In the statement of net position, the difference between a government's assets and liabilities is recorded as net position. The three components of net position are as follows:

Invested in Capital Assets, Net of Related Debt - This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgage notes, or other borrowings attributable to the acquisition, construction, or improvement of capital assets.

Restricted - This category represents net position restricted for a specific future use because their use is limited.

Unrestricted - This category represents net position not appropriable for expenditures or legally segregated for a specific future use.

In the statement of net position, this report will often report a separate section for deferred outflows and/or deferred inflows of financial resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time.

TOWN OF JENA, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Government-Wide and Fund Financial Statements (continued)

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The municipality reports the following major governmental funds:

The General Fund is the municipality'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 is used to account for revenues generated by the one percent (1%) sales and use tax. Proceeds are first dedicated to any debt service, if applicable.

TOWN OF JENA, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

The municipality reports the following major proprietary fund:

The Utility Fund is used to account for the provision of gas and water utilities, as well as sewer services, to residents of the Town and some residents of the Parish. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the municipality's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Deposits and Investments

The municipality's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of six months or less from the date of acquisition. State law and the municipality's investment policy allow the municipality to invest in collateralized certificates of deposit, government-backed securities, commercial paper, the state-sponsored investment pool, and mutual funds consisting solely of government-backed securities. The Town currently only invests in certificates of deposit.

D. Restricted Assets

Certain proprietary fund assets are classified as restricted assets because their use is limited. "Customers' deposit account" consists of funds received from customers for utility deposits.

TOWN OF JENA, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes and customers' utility receivables are recognized through the establishment of an allowance account at the time information becomes available, which would indicate the uncollectible particular receivable.

The Town annually levies ad-valorem taxes in accordance with state statute for the year ended December 31. Tax bills are prepared and delivered in October with payment due from the date of receipt to the last day of February. The Town bills and collects its own property taxes using the assessed values determined by the Tax Assessor of LaSalle Parish.

For the year ended December 31, 2019, taxes of 5.32 mills were levied on property with assessed valuations totaling \$26,608,270 after abatements and exemptions and were dedicated as follows:

General corporate purposes	Mills	5.32
Total taxes levied	\$	141,556

F. Inventories and Prepaid Items

Inventory is valued at cost using the first-in/first-out (FIFO) method. Inventory used for the maintenance of the utility system is accounted for in the Utility Fund as assets when purchased and recorded as expenses when consumed. Inventory for office use is accounted for in the General and Utility Funds as expenditures or expenses when purchased. Amounts of office inventory on hand are immaterial. Payments made to vendors for services that will benefit periods beyond December 31, 2019, are recorded as prepaid expenses in all funds.

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The municipality maintains a threshold level of \$2,500 or more for capitalizing capital assets used in the governmental funds.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

TOWN OF JENA, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Capital Assets (continued)

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Governmental activities:	
Land improvements	30 years
Buildings	40 years
Vehicles	5 – 15 years
Machinery and equipment	5 – 15 years
Business-type activities/Enterprise Fund:	
Buildings	25 years
Infrastructure	20 – 50 years
Machinery and equipment	10 – 20 years
Vehicles	5 years

H. Deferred Outflows of Resources

In addition to assets, the statement of financial position will report a separate section for deferred outflows of resources. This separate financial statement element represents consumption of net position that applies to future periods and so will not be recognized as an outflow of resources until then. The Town reports deferred outflows of resources related to the net pension liabilities. A portion of these costs represent contributions to the plan subsequent to the plan measurement date.

I. Compensated Absences

The liability for compensated absences has not been accrued because the amount is considered to be immaterial.

J. Long-Term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

TOWN OF JENA, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources until then. The Town reports deferred inflows of resources related to the net pension liabilities.

L. Fund Equity

The Town has implemented and follows GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority; and
- Unassigned fund balance – amounts that are available for any purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

The Town establishes fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Town through adoption or amendment of the budget as intended for a specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes). In the general fund, the Town strives to maintain an unassigned fund balance to be used for unanticipated emergencies.

M. 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, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

TOWN OF JENA, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The Town follows procedures established by Louisiana Revised Statute in the preparation and adoption of its annual operating budgets as follows:

1. The Town Clerk prepares a proposed budget and submits same to the Mayor and Town Council no later than fifteen days prior to the beginning of each year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program, or function to another, or involving increases in expenditures resulting from revenues exceeding amounts estimated, require the approval of the Town Council.
6. All budgetary appropriations lapse at the end of each year.
7. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with GAAP. Budget amounts are as originally adopted, or as amended from time to time by the Town Council.

NOTE 3 - CASH AND CASH EQUIVALENTS

At December 31, 2019, the municipality had unrestricted cash and cash equivalents totaling \$1,459,783 and restricted cash and cash equivalents of \$2,071,949 as follows:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Demand deposits	\$ 701,365	\$ 1,732,040	\$ 2,433,405
Time deposits	758,018	339,909	1,097,927
Cash on hand	<u>400</u>	<u>-</u>	<u>400</u>
Total	<u>\$ 1,459,783</u>	<u>\$ 2,071,949</u>	<u>\$ 3,531,732</u>

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.

TOWN OF JENA, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 3 - CASH AND CASH EQUIVALENTS (continued)

At December 31, 2019, the municipality had \$3,542,420 in deposits (collected bank balances). These deposits are secured from risk by \$1,083,046 of federal deposit insurance and \$2,654,655 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). Collectively with the federal deposit insurance and pledged securities, the Town was over collateralized by \$195,217 as of December 31, 2019.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, R.S. 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 municipality that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 4 - RECEIVABLES

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Sales Tax Fund</u>	<u>Enterprise Fund</u>	<u>Total</u>
Taxes:				
Ad valorem	\$ 32,960	\$ -	\$ -	\$ 32,960
Sales	-	105,479	-	105,479
Intergovernmental				
State	5,315	-	-	5,315
Local	-	-	6,666	6,666
Accounts	55,966	-	399,984	455,950
Other	73,408	-	1,129	74,537
Allowance for uncollectibles	-	-	(131,279)	(131,279)
Total	<u>\$ 167,649</u>	<u>\$ 105,479</u>	<u>\$ 276,500</u>	<u>\$ 549,628</u>

Uncollectible amounts due for customers' utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectible receivable.

NOTE 5 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

A summary of individual receivables and payables reflected as "due to/from other funds" as of December 31, 2019, follows:

	<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>
General fund	\$ 117,478	\$ 9,596
Nonmajor governmental funds	-	116,183
Enterprise fund	51,702	43,401
Totals	<u>\$ 169,180</u>	<u>\$ 169,180</u>

TOWN OF JENA, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 5 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (continued)

Interfund transfers during the year ended December 31, 2019, were as follows:

	Operating Transfers	
	In	Out
General fund	\$ 1,085,873	\$ -
Special revenue fund	-	1,140,151
Enterprise fund	<u>445,278</u>	<u>391,000</u>
Totals	<u>\$ 1,531,151</u>	<u>\$ 1,531,151</u>

Transfers are primarily used to move funds from:

1. The Sales Tax Special Revenue Fund to the General Fund to cover payroll expenditures and to the Utility Fund to cover certain expenses of the sewer and water systems.
2. The Utility Fund to the General Fund to cover payroll expenditures.

NOTE 6 - CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2019, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental activities:</u>				
Capital assets, not being depreciated				
Land	\$ 663,623	\$ 41,887	\$ -	\$ 705,510
Total capital assets, not being depreciated	<u>\$ 663,623</u>	<u>\$ 41,887</u>	<u>\$ -</u>	<u>\$ 705,510</u>
Capital assets being depreciated				
Buildings	\$ 1,250,084	\$ 8,500	\$ -	\$ 1,258,584
Other improvements	1,590,636	9,980	-	1,600,616
Equipment	1,422,505	82,144	-	1,504,649
Infrastructure	3,196,808	20,400	-	3,217,208
Construction in progress	<u>1,075,045</u>	<u>933,572</u>	<u>(21,400)</u>	<u>1,987,217</u>
Total capital assets being depreciated	<u>\$ 8,535,078</u>	<u>\$ 1,054,596</u>	<u>\$ (21,400)</u>	<u>\$ 9,568,274</u>
Less accumulated depreciation for:				
Buildings	\$ (378,986)	\$ (40,026)	\$ -	\$ (419,012)
Other improvements	(591,972)	(88,447)	-	(680,419)
Equipment	(1,010,256)	(117,628)	-	(1,127,884)
Infrastructure	<u>(1,383,371)</u>	<u>(107,630)</u>	<u>-</u>	<u>(1,491,001)</u>
Total accumulated depreciation	<u>\$ (3,364,585)</u>	<u>\$ (353,731)</u>	<u>\$ -</u>	<u>\$ (3,718,316)</u>
Total capital assets being depreciated, net	<u>\$ 5,170,493</u>	<u>\$ 700,865</u>	<u>\$ (21,400)</u>	<u>\$ 5,849,958</u>
Total capital assets, net	<u>\$ 5,834,116</u>	<u>\$ 742,752</u>	<u>\$ (21,400)</u>	<u>\$ 6,555,468</u>

TOWN OF JENA, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 6 - CAPITAL ASSETS (continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Business-type activities:</u>				
Capital assets, not being depreciated				
Land	\$ 30,549	\$ -	\$ -	\$ 30,549
Total capital assets not being depreciated	<u>\$ 30,549</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,549</u>
Capital assets being depreciated				
Sewer disposal system	\$ 4,660,256	\$ 38,259	\$ -	\$ 4,698,515
Natural gas distribution system	2,731,871	10,998	-	2,742,869
Water plant and system	3,328,097	42,358	-	3,370,455
Service equipment	902,001	-	-	902,001
Construction in progress	<u>-</u>	<u>7,049</u>	<u>-</u>	<u>7,049</u>
Total capital assets being depreciated	<u>\$ 11,622,225</u>	<u>\$ 98,664</u>	<u>\$ -</u>	<u>\$ 11,720,889</u>
Less accumulated depreciation for:				
Sewer disposal system	\$ (3,534,506)	\$ (91,482)	\$ -	\$ (3,625,988)
Natural gas distribution system	(2,613,326)	(11,705)	-	(2,625,031)
Water plant and system	(2,062,862)	(73,276)	-	(2,136,138)
Service equipment	<u>(889,510)</u>	<u>(5,694)</u>	<u>-</u>	<u>(895,204)</u>
Total accumulated depreciation	<u>\$ (9,100,204)</u>	<u>\$ (182,157)</u>	<u>\$ -</u>	<u>\$ (9,282,361)</u>
Total capital assets being depreciated, net	<u>\$ 2,522,021</u>	<u>\$ (83,493)</u>	<u>\$ -</u>	<u>\$ 2,438,528</u>
Total capital assets, net	<u>\$ 2,552,570</u>	<u>\$ (83,493)</u>	<u>\$ -</u>	<u>\$ 2,469,077</u>

Depreciation expense of \$353,731 for the year ended December 31, 2019, was charged to the following governmental functions:

General government	\$ 40,117
Public safety:	
Police	36,228
Fire	29,520
Public works:	
Parks and streets	131,001
Sanitation	39,490
Recreation	<u>77,375</u>
Total	<u>\$ 353,731</u>

TOWN OF JENA, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 7 – ACCOUNTS, SALARIES, AND OTHER PAYABLES

Payables at December 31, 2019, are as follows:

	<u>General Fund</u>	<u>Enterprise Fund</u>	<u>Total</u>
Payable from unrestricted assets:			
Accounts payable	\$ 105,324	\$ 44,728	\$ 150,052
Total payable from unrestricted assets	<u>\$ 105,324</u>	<u>\$ 44,728</u>	<u>\$ 150,052</u>
Payable from restricted assets:			
Meter deposits	\$ -	\$ 149,885	\$ 149,885
Total payable from restricted assets	<u>\$ -</u>	<u>\$ 149,885</u>	<u>\$ 149,885</u>

NOTE 8 – RETIREMENT PLAN DESCRIPTION AND BENEFITS

Substantially all employees of the Town are members of the Municipal Employees' Retirement System of Louisiana. This system is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Pertinent information relative to the plan follows.

Municipal Employees' Retirement System of Louisiana

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

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. Under Plan A, employees who were hired before January 1, 2013, who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. Under Plan A, employees who were hired after January 1, 2013, who retire at or after age 67 with at least seven years of creditable service, at or after age 62 with at least 10 years of creditable service, at or after age 55 with at least 30 years of creditable service, or at any age with at least 25 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 60 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees' Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (504) 925-4810.

TOWN OF JENA, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 8 - RETIREMENT PLAN DESCRIPTION AND BENEFITS (continued)

Municipal Employees' Retirement System of Louisiana (continued)

Funding Policy. Under Plan A, members are required by state statute to contribute 9.50% as of July 1, 2013, of their annual covered salary, and the Town is required to contribute at an actuarially determined rate. The Town's contribution rate was 24.75% from January 1, 2019 through June 30, 2019, and was 26% from July 1, 2019 through December 31, 2019. The Town's contribution rate was 22.75% from January 1, 2018 through June 30, 2018, and was 24.75% from July 1, 2018 through December 31, 2018. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior year. The Town's contributions to the System under Plan A for the year ending December 31, 2019, were \$253,615.

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

At December 31, 2019, the Town reported a liability of \$2,130,474 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating cities, actuarially determined. At June 30, 2019, the Town's proportion was 0.509846%.

For the year ended December 31, 2019, the Town recognized pension expense of \$330,213, less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, (\$157,742). At December 31, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 51,982
Changes of assumptions	53,839	-
Net difference between projected and actual earnings on pension plan investments	211,297	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	149,783
Town contributions subsequent to the measurement date	<u>128,971</u>	<u>-</u>
Total	<u>\$ 394,107</u>	<u>\$ 201,765</u>

TOWN OF JENA, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 8 - RETIREMENT PLAN DESCRIPTION AND BENEFITS (continued)

Municipal Employees' Retirement System of Louisiana (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

\$128,971 reported as deferred outflows of resources related to pensions resulting from the Town's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2019	\$	52,915
2020		52,915
2021		52,915
2022		43,642
Thereafter		10,768

Actuarial assumptions. The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

Valuation date	June 30, 2019
Actuarial cost method	Entry age normal cost
Actuarial assumptions:	
Investment rate of return	7.0%, net of investment expense
Projected salary increases	4.5% (2.5% Inflation, 2.0% Merit)
Mortality rates	PubG-2010(B) Employee Table for Active Members PubG-2010(B) Healthy Retiree Table for Healthy Annuitants PubNS-2010(B) Disabled Retiree Tables for Disabled Annuitants
Expected remaining services lives	Three years for Plan A
Cost-of-living adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

TOWN OF JENA, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 8 - RETIREMENT PLAN DESCRIPTION AND BENEFITS (continued)

Municipal Employees' Retirement System of Louisiana (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

The long-term expected real rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.60% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rates of return was 7.20% as of June 30, 2019. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2019, are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Public equity	50%	2.15%
Public fixed income	35%	1.51%
Alternatives	15%	0.64%
Totals	100%	4.30%
Inflation		2.70%
Expected arithmetic nominal return		7.00%

Discount Rate. The discount rate used to measure the total pension liability was 7.275%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer entities will be made at the actuarially determined rates approved by the Board of Trustees and PRSAC, taking into consideration the recommendation of the System's actuary. Based on these assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to Changes in Discount Rate:

The following presents the net pension liability of the participating employers calculated using the discount rate of 7.275%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.275%) or one percentage point higher (8.275%) than the current rate:

	Changes in Discount Rate 2019		
	1% Decrease 6.0%	Current Discount Rate 7.0%	1% Increase 8.0%
Net pension liability	\$ 2,777,757	\$ 2,130,474	\$ 1,583,216

TOWN OF JENA, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 8 – RETIREMENT PLAN DESCRIPTION AND BENEFITS (continued)

Municipal Police Employees’ Retirement System of Louisiana

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Eligible employees of the Town participate in the Municipal Police Employees’ Retirement System, which is a cost-sharing, multiple-employer defined-benefit public employee retirement system. The Plan is controlled and administered by a separate board of trustees. Pertinent information relative to the plan follows:

Plan description. All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3½% of their final-average salary for each year of creditable service. Final-average salary is the employee’s average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees’ Retirement System, 8401 United Plaza Boulevard, Room 270, Baton Rouge, Louisiana 70809-7017.

Funding Policy. Plan members are required by state statute to contribute 9% of their annual covered salary, and the Town is required to contribute at an actuarially determined rate. The Town’s contribution rate was 30.75% from January 1, 2019 through June 30, 2019, and was 32.25% from July 1, 2019 through December 31, 2019. The Town’s contribution rate was 31.75% from January 1, 2018 through June 30, 2018, and was 30.75% from July 1, 2018 through December 31, 2018. The contribution requirements of Plan members and the Town are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The contributions to the System for the year ending December 31, 2019, were \$45,782.

At December 31, 2019, the Town reported a liability of \$428,537 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town’s proportion of the net pension liability was based on a projection of the Town’s long-term share of contributions to the pension plan relative to the projected contributions of all participating cities, actuarially determined. At June 30, 2019, the Town’s proportion was 0.047187%.

For the year ended December 31, 2019, the Town recognized pension expense of \$59,407, plus employer’s amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$3,545. At December 31, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TOWN OF JENA, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 8 - RETIREMENT PLAN DESCRIPTION AND BENEFITS (continued)

Municipal Police Employees' Retirement System of Louisiana (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 899	\$ 13,185
Changes of assumptions	27,841	-
Net difference between projected and actual earnings on pension plan investments	24,014	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	-	-
Town contributions subsequent to the measurement date	22,978	-
Total	\$ 75,732	\$ 13,185

\$22,978 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2019	\$	8,671
2020		8,671
2021		8,829
2022		7,829
Thereafter		5,568

Actuarial assumptions. The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	June 30, 2019	
Actuarial cost method	Entry Age Normal Cost	
Actuarial assumptions:		
Investment rate of return	7.125%, net of investment expense	
Mortality rates	RP-2000 Employee Table for Active Members RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for Healthy Annuitants and Beneficiaries RP-2000 Disabled Lives Mortality Table for Disabled Annuitants	
Expected remaining service lives	Four years	
Salary increases, including 2.70% inflation	Years of Service	Salary Growth Rate
	1-2	9.75%
	3-23	4.75%
	Over 23	4.25%

TOWN OF JENA, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 8 - RETIREMENT PLAN DESCRIPTION AND BENEFITS (continued)

Municipal Police Employees' Retirement System of Louisiana (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Cost-of-living adjustments The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The best estimates of the arithmetic nominal rates of return for each major asset class included in the System's target allocation as of June 30, 2019, are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Equity	48.50%	3.28%
Fixed income	33.50%	0.80%
Alternatives	18.00%	1.06%
Other	0.00%	0.00%
Totals	100%	5.14%
Inflation		2.50%
Expected arithmetic nominal return		7.89%

Discount Rate. The discount rate used to measure the total pension liability was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC, taking into consideration the recommendation of the System's actuary. Based on these assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to Changes in Discount Rate:

The following presents the net pension liability of the participating employers calculated using the discount rate of 7.20%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.20%) or one percentage point higher (8.20%) than the current rate.

	Changes in Discount Rate 2019		
	1% Decrease 6.20%	Current Discount Rate 7.20%	1% Increase 8.20%
Net pension liability	\$ 597,093	\$ 428,537	\$ 287,135

TOWN OF JENA, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 8 - RETIREMENT PLAN DESCRIPTION AND BENEFITS (continued)

Firefighters' Retirement System of Louisiana

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

Eligible employees of the Town participate in the Firefighters' Retirement System, which is a cost-sharing, multiple-employer, defined-benefit public employee retirement system. The Plan is controlled and administered by a separate board of trustees. Pertinent information relative to the Plan follows:

Plan description. All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3½% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Firefighters' Retirement System, 3100 Brentwood Drive, Baton Rouge, Louisiana 70809.

Funding Policy. Plan members are required by state statute to contribute 10% of their annual covered salary, and the Town is required to contribute at an actuarially determined rate. The Town's contribution rate was 26.50% from January 1, 2019 through June 30, 2019, and was 26.50% from July 1, 2019 through December 31, 2019. The Town's contribution rate was 26.50% from July 1, 2018 through December 31, 2018. The contribution requirements of Plan members and the Town are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The contributions to the System for the year ending December 31, 2019 were \$100,269.

At December 31, 2019, the Town reported a liability of \$343,015 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating cities, actuarially determined. At June 30, 2019, the Town's proportion was 0.054778%.

For the year ended December 31, 2019, the Town recognized pension expense of \$54,091, plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$41,774. At December 31, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TOWN OF JENA, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 8 – RETIREMENT PLAN DESCRIPTION AND BENEFITS (continued)

Firefighters' Retirement System of Louisiana (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 24,743
Changes of assumptions	31,206	25
Net difference between projected and actual earnings on pension plan investments	23,067	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	216,959	-
Town contributions subsequent to the measurement date	<u>82,272</u>	<u>-</u>
Total	<u>\$ 353,504</u>	<u>\$ 24,768</u>

\$82,273 reported as deferred outflows of resources related to pensions resulting from the Town's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2019	\$ 6,317
2020	6,317
2021	6,317
2022	5,941
2023	4,613
Thereafter	-

Actuarial assumptions. The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	June 30, 2019	
Actuarial cost method	Entry Age Normal Cost	
Actuarial assumptions:		
Investment rate of return	7.30%, net of investment expense	
Mortality rates	RP-2000 Employee Table for Active Members RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Table for Healthy Annuitants and Beneficiaries RP-2000 Disabled Lives Mortality Table for Disabled Annuitants	
Expected remaining service lives	Four years	
Salary increases, including 2.70% inflation	<u>Years of Service</u>	<u>Salary Growth Rate</u>
	1-2	15.00%
	3-14	5.75%
	15-24	5.25%
	Over 25	4.75%

TOWN OF JENA, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 8 - RETIREMENT PLAN DESCRIPTION AND BENEFITS (continued)

Firefighters' Retirement System of Louisiana (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Cost-of-living adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
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The best estimates of the arithmetic nominal rates of return for each major asset class included in the System's target allocation as of June 30, 2019, are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Equity	49%	6.70%
Fixed income	31%	2.17%
Alternatives	10%	7.33%
Other	10%	4.52%
Totals	100%	20.72%
Inflation		2.75%
Expected arithmetic nominal return		7.94%

Discount Rate. The discount rate used to measure the total pension liability was 7.30%. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC, taking into consideration the recommendation of the System's actuary. Based on these assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to Changes in Discount Rate:

The following presents the net pension liability of the participating employers calculated using the discount rate of 7.30%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.30%) or one percentage point higher (8.30%) than the current rate.

	Changes in Discount Rate 2019		
	1% Decrease 6.15%	Current Discount Rate 7.15%	1% Increase 8.15%
Net pension liability	\$ 496,709	\$ 343,015	\$ 214,016

TOWN OF JENA, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 9 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage in any of the past three years.

NOTE 10 - SEGMENT INFORMATION FOR UTILITY FUND

The Enterprise Fund operated by the Town provides water, natural gas, and sewer utility services. The following is a summary of segment information for the Enterprise Fund:

	Water System	Gas System	Sewer System	Total
Operating revenue	\$ 736,741	\$ 822,935	\$ 385,235	\$ 1,944,911
Purchase of natural gas	-	(220,811)	-	(220,811)
Operating expense	(508,612)	(478,223)	(566,727)	(1,553,562)
Depreciation	(75,175)	(13,603)	(93,379)	(182,157)
Operating income (loss)	<u>\$ 152,954</u>	<u>\$ 110,298</u>	<u>\$ (274,871)</u>	\$ (11,619)
Nonoperating revenues (expenses)				
Interest income				17,958
Operating transfers - in				445,278
Operating transfers - out				<u>(391,000)</u>
Net increase in net position				<u>\$ 60,617</u>

NOTE 11 - COMPENSATION PAID TO MAYOR AND TOWN COUNCIL

In accordance with the requirements of the Office of the Legislative Auditor, State of Louisiana, the following reflects compensation paid to the Mayor and members of the Town Council of Town of Jena, Louisiana for the year ending December 31, 2019:

Mayor, LaDawn Edwards	\$ 51,750
Town Council:	
David Chapman	3,750
Donald G. Richardson	3,750
David Paul Jones	3,750
Tommy Sandifer	3,750
Bruce Wilson	<u>3,750</u>
Total	<u>\$ 70,500</u>

TOWN OF JENA, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 12 - CONTINGENT LIABILITIES

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

NOTE 13 - SUBSEQUENT EVENTS

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses in numerous industries and has affected customer traffic in numerous industries. These recent developments are expected to impact the Town's operations and results though such impact is unknown at this time.

REQUIRED SUPPLEMENTARY INFORMATION (PART II)

TOWN OF JENA, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 221,400	\$ 221,400	\$ 227,452	\$ 6,052
Licenses and permits	190,725	190,725	235,270	44,545
Intergovernmental revenue	33,357	33,357	33,099	(258)
Charges for services	306,450	306,450	313,289	6,839
Fines and forfeitures	96,000	96,000	56,815	(39,185)
Grants and contributions	974,800	974,800	898,468	(76,332)
Other	1,100	1,100	4,115	3,015
Total revenues	<u>\$ 1,823,832</u>	<u>\$ 1,823,832</u>	<u>\$ 1,768,507</u>	<u>\$ (55,326)</u>
Expenditures				
Current:				
General government	\$ 371,716	\$ 371,716	\$ 365,875	\$ 5,841
Public safety:				
Police	544,212	544,212	505,738	38,474
Fire	278,175	278,175	306,809	(28,634)
Animal control	4,500	4,500	-	4,500
Public works:				
Parks and streets	1,558,200	1,558,200	1,417,249	140,951
Sanitation	205,300	205,300	176,784	28,516
Recreation	42,920	42,920	44,243	(1,323)
Total expenditures	<u>\$ 3,005,023</u>	<u>\$ 3,005,023</u>	<u>\$ 2,816,698</u>	<u>\$ 188,325</u>
Deficiency of revenues before operating transfers	<u>\$ (1,181,191)</u>	<u>\$ (1,181,191)</u>	<u>\$ (1,048,191)</u>	<u>\$ 132,999</u>
Other financing sources				
Operating transfers - in	\$ 1,182,000	\$ 1,182,000	\$ 1,085,873	\$ (96,127)
Total other financing sources	<u>\$ 1,182,000</u>	<u>\$ 1,182,000</u>	<u>\$ 1,085,873</u>	<u>\$ (96,127)</u>
Net change in fund balance	\$ 809	\$ 809	\$ 37,682	\$ 36,873
Fund balance - beginning of year	<u>262,900</u>	<u>262,900</u>	<u>262,900</u>	<u>-</u>
Fund balance - end of year	<u><u>\$ 263,709</u></u>	<u><u>\$ 263,709</u></u>	<u><u>\$ 300,582</u></u>	<u><u>\$ 36,873</u></u>

See Independent Auditor's Report.

TOWN OF JENA, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 985,000	\$ 985,000	\$ 1,067,550	\$ 82,550
Interest	3,200	3,200	13,161	9,961
Total revenues	<u>\$ 988,200</u>	<u>\$ 988,200</u>	<u>\$ 1,080,711</u>	<u>\$ 92,511</u>
Expenditures				
Current:				
General government	\$ 15,300	\$ 15,800	16,573	\$ (773)
Total expenditures	<u>\$ 15,300</u>	<u>\$ 15,800</u>	<u>\$ 16,573</u>	<u>\$ (773)</u>
Excess of revenues before operating transfers	<u>\$ 972,900</u>	<u>\$ 972,400</u>	<u>\$ 1,064,138</u>	<u>\$ 91,738</u>
Other financing uses				
Operating transfers - out	\$ (1,285,000)	\$ (1,285,000)	\$ (1,140,151)	\$ 144,849
Total other financing uses	<u>\$ (1,285,000)</u>	<u>\$ (1,285,000)</u>	<u>\$ (1,140,151)</u>	<u>\$ 144,849</u>
Net change in fund balance	\$ (312,100)	\$ (312,600)	\$ (76,013)	\$ 236,587
Fund balance - beginning of year	<u>1,741,695</u>	<u>1,741,695</u>	<u>1,741,695</u>	<u>-</u>
Fund balance - end of year	<u><u>\$ 1,429,595</u></u>	<u><u>\$ 1,429,095</u></u>	<u><u>\$ 1,665,682</u></u>	<u><u>\$ 236,587</u></u>

See Independent Auditor's Report.

TOWN OF JENA, LOUISIANA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2019

Budgetary Comparison Schedule

1. Basis of Presentation

The Budgetary Comparison Schedule presents the original legally adopted budget, the final legally adopted budget, the actual data on the GAAP basis, and variances between the final budget and the actual data.

2. Budget Amendments and Revisions

The budget is adopted by the Town Council. Amendments can be made on the approval of the Town Council. A budgetary comparison is presented for the General Fund and each major special revenue fund consistent with accounting principles generally accepted in the United States of America.

See Independent Auditor's Report.

TOWN OF JENA, LOUISIANA

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

LOUISIANA MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability (asset)	0.51%	0.57%	0.62%	0.65%	0.65%
Town's proportionate share of the net pension liability (asset)	\$ 2,130,474	\$ 2,358,435	\$ 2,612,923	\$ 2,658,547	\$ 2,326,363
Town's covered-employee payroll	\$ 929,054	\$ 1,097,693	\$ 1,095,538	\$ 1,132,010	\$ 1,046,194
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	194.09%	215.28%	230.82%	254.12%	214.42%
Plan fiduciary net position as a percentage of the total pension liability	64.68%	63.94%	62.49%	62.11%	68.71%

- This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

See Independent Auditor's Report.

TOWN OF JENA, LOUISIANA

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

LOUISIANA MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportionate share of the net pension liability (asset)	0.047%	0.039%	0.041%	0.046%	0.046%
Town's proportionate share of the net pension liability (asset)	\$ 428,537	\$ 332,067	\$ 360,278	\$ 426,173	\$ 357,040
Town's covered-employee payroll	\$ 141,413	\$ 135,414	\$ 124,898	\$ 109,020	\$ 144,768
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	316.46%	265.87%	330.47%	294.57%	354.56%
Plan fiduciary net position as a percentage of the total pension liability	71.01%	71.87%	70.08%	66.04%	70.73%

- This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

See Independent Auditor's Report.

TOWN OF JENA, LOUISIANA

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

LOUISIANA FIREFIGHTERS' RETIREMENT SYSTEM

	<u>2019</u>	<u>2018</u>
Town's proportionate share of the net pension liability (asset)	0.055%	0.044%
Town's proportionate share of the net pension liability (asset)	\$ 343,015	\$ 254,944
Town's covered-employee payroll	\$ 121,726	\$ 118,685
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	289.01%	213.79%
Plan fiduciary net position as a percentage of the total pension liability	73.96%	74.76%

- This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

See Independent Auditor's Report.

TOWN OF JENA, LOUISIANA
 SCHEDULE OF THE TOWN'S CONTRIBUTIONS
 LOUISIANA MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 253,615	\$ 249,009	\$ 259,871	\$ 240,733	\$ 226,576
Contributions in relation to the contractually required contribution	\$ (253,615)	\$ (249,009)	\$ (259,871)	\$ (240,733)	\$ (226,576)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered-employee payroll	\$ 929,024	\$ 1,097,693	\$ 1,095,538	\$ 1,132,010	\$ 1,046,194
Contributions as a percentage of covered-employee payroll	27.30%	22.68%	23.72%	21.27%	21.66%

- This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

See Independent Auditor's Report.

TOWN OF JENA, LOUISIANA
SCHEDULE OF THE TOWN'S CONTRIBUTIONS
LOUISIANA MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 45,782	\$ 42,791	\$ 39,083	\$ 33,307	\$ 44,132
Contributions in relation to the contractually required contribution	\$ (45,782)	\$ (42,791)	\$ (39,083)	\$ (33,307)	\$ (44,132)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered-employee payroll	\$ 141,413	\$ 135,414	\$ 124,898	\$ 109,020	\$ 144,768
Contributions as a percentage of covered-employee payroll	32.37%	31.60%	31.29%	30.55%	30.48%

- This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

See Independent Auditor's Report.

TOWN OF JENA, LOUISIANA
 SCHEDULE OF THE TOWN'S CONTRIBUTIONS
 LOUISIANA FIREFIGHTERS' RETIREMENT SYSTEM

	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 100,269	\$ 48,172
Contributions in relation to the contractually required contribution	\$ (100,269)	\$ (48,172)
Contribution deficiency (excess)	\$ -	\$ -
Town's covered-employee payroll	\$ 121,726	\$ 118,685
Contributions as a percentage of covered-employee payroll	82.37%	40.59%

- This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

See Independent Auditor's Report.

OTHER SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

TOWN OF JENA, LOUISIANA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Capital Projects Fund	Fiduciary Funds		Total	Total Nonmajor Governmental Funds
		Accounts Payable Clearing Fund	Payroll Clearing Fund		
Assets					
Cash and cash equivalents	\$ 10	\$ 49,602	\$ 66,581	\$ 116,183	\$ 116,193
Total assets	<u>\$ 10</u>	<u>\$ 49,602</u>	<u>\$ 66,581</u>	<u>\$ 116,183</u>	<u>\$ 116,193</u>
Liabilities and Fund Balances					
Liabilities:					
Due to other funds	\$ -	\$ 49,602	\$ 66,581	\$ 116,183	\$ 116,183
Total liabilities	<u>\$ -</u>	<u>\$ 49,602</u>	<u>\$ 66,581</u>	<u>\$ 116,183</u>	<u>\$ 116,183</u>
Fund balances:					
Reserved for capital projects	\$ 10	\$ -	\$ -	\$ -	\$ 10
Total fund balances	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10</u>
Total liabilities and fund balances	<u>\$ 10</u>	<u>\$ 49,602</u>	<u>\$ 66,581</u>	<u>\$ 116,183</u>	<u>\$ 116,193</u>

See Independent Auditor's Report.

TOWN OF JENA, LOUISIANA
NONMAJOR GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2019

	Capital Projects Fund	Total Nonmajor Governmental Funds
<u>REVENUES</u>		
Grants	\$ -	\$ -
Total revenues	\$ -	\$ -
<u>EXPENDITURES</u>		
Capital expenditures	\$ -	\$ -
Total expenditures	\$ -	\$ -
Revenues under expenditures	\$ -	\$ -
<u>OTHER FINANCING SOURCES</u>		
Operating transfer to general fund	\$ -	\$ -
Total other financial sources	\$ -	\$ -
Excess of expenditures over revenues and other financing sources	\$ -	\$ -
Fund balance - beginning of year	10	10
Fund balance - end of year	\$ 10	\$ 10

See Independent Auditor's Report.

COMPARATIVE/COMBINING FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

This is the general operating fund of the Town and is used to account for resources traditionally associated with governments, which are not required to be accounted for in another fund.

TOWN OF JENA, LOUISIANA
GENERAL FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2019 AND 2018

	2019	2018
<u>ASSETS</u>		
Cash and cash equivalents	\$ 109,212	\$ 56,047
Receivables (net of allowance for doubtful accounts):		
Accounts	56,097	60,019
Taxes	32,960	39,138
Governmental	1,237	1,237
Other	77,354	56,610
Other assets	21,163	23,022
Due from other funds	117,478	100,758
Total assets	\$ 415,501	\$ 336,831
<u>LIABILITIES AND FUND BALANCE</u>		
LIABILITIES		
Accounts payable and accrued liabilities	\$ 105,324	\$ 64,335
Due to other funds	9,596	9,596
Total liabilities	\$ 114,920	\$ 73,931
FUND BALANCE		
Unassigned fund balance	\$ 300,581	\$ 262,900
Total fund balance	\$ 300,581	\$ 262,900
Total liabilities and fund balance	\$ 415,501	\$ 336,831

See Independent Auditor's Report.

TOWN OF JENA, LOUISIANA

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED DECEMBER 31, 2019

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED DECEMBER 31, 2018

	2019	2018
<u>REVENUES</u>		
Taxes	\$ 227,452	\$ 218,606
Licenses and permits	235,270	200,377
Intergovernmental	33,099	33,295
Charges for services	313,289	303,964
Fines and forfeitures	56,815	92,293
Grants and contributions	898,468	87,193
Other revenues	4,113	11,997
	<hr/>	<hr/>
Total revenues	\$ 1,768,506	\$ 947,725
<u>EXPENDITURES</u>		
General government	\$ 365,875	\$ 517,464
Public safety:		
Police	505,738	494,448
Fire	306,809	261,511
Animal control	-	-
Public works:		
Parks and streets	1,417,249	432,172
Sanitation	176,784	172,632
Recreation	44,243	58,735
	<hr/>	<hr/>
Total expenditures	\$ 2,816,698	\$ 1,936,962
Revenues under expenditures	\$ (1,048,192)	\$ (989,237)
<u>OTHER FINANCING SOURCES</u>		
Operating transfers - in	\$ 1,085,873	\$ 986,895
	<hr/>	<hr/>
Total other financing sources	\$ 1,085,873	\$ 986,895
Excess (deficiency) of revenues and other financing sources over (under) expenditures	\$ 37,681	\$ (2,342)
Fund balance - beginning of year	<hr/>	<hr/>
	262,900	265,242
Fund balance - end of year	<hr/> <hr/>	<hr/> <hr/>
	\$ 300,581	\$ 262,900

See Independent Auditor's Report.

SALES TAX SPECIAL REVENUE FUND

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Sales tax special revenue fund is used to account for revenues generated by the one percent (1%) sales and use tax. Proceeds are first dedicated to any debt service, if applicable.

TOWN OF JENA, LOUISIANA
 SALES TAX SPECIAL REVENUE FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2019 AND 2018

<u>ASSETS</u>	<u>2019</u>	<u>2018</u>
Cash	\$ 1,170,543	\$ 1,265,598
Temporary investments (at cost)	389,660	378,158
Accounts receivable - sales tax	105,479	97,939
	<u>1,665,682</u>	<u>1,741,695</u>
Total assets	<u>\$ 1,665,682</u>	<u>\$ 1,741,695</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities	<u>\$ -</u>	<u>\$ -</u>
Fund balance		
Restricted fund balance	<u>\$ 1,665,682</u>	<u>\$ 1,741,695</u>
Total fund balances	<u>\$ 1,665,682</u>	<u>\$ 1,741,695</u>
Total liabilities and fund balance	<u>\$ 1,665,682</u>	<u>\$ 1,741,695</u>

See Independent Auditor's Report.

TOWN OF JENA, LOUISIANA
SALES TAX SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

YEAR ENDED DECEMBER 31, 2019
WITH COMPARATIVE AMOUNTS FOR YEAR ENDED DECEMBER 31, 2018

	<u>2019</u>	<u>2018</u>
<u>REVENUES</u>		
Taxes	\$ 1,067,550	\$ 1,003,795
Interest	<u>13,161</u>	<u>5,557</u>
Total revenues	<u>\$ 1,080,711</u>	<u>\$ 1,009,352</u>
<u>EXPENDITURES</u>		
Current - general government		
Operating expense	\$ 6,153	\$ 7,129
Collection expense	<u>10,420</u>	<u>9,202</u>
Total expenditures	<u>\$ 16,573</u>	<u>\$ 16,331</u>
Excess of revenues over expenditures	<u>\$ 1,064,138</u>	<u>\$ 993,021</u>
<u>OTHER FINANCING USES</u>		
Operating transfers - out	<u>\$ (1,140,151)</u>	<u>\$ (979,685)</u>
Total other financing uses	<u>\$ (1,140,151)</u>	<u>\$ (979,685)</u>
Excess (deficiency) of revenues over expenditures and other financing uses	\$ (76,013)	\$ 13,336
Fund balances - beginning of year	<u>1,741,695</u>	<u>1,728,359</u>
Fund balances - end of year	<u><u>\$ 1,665,682</u></u>	<u><u>\$ 1,741,695</u></u>

See Independent Auditor's Report.

CAPITAL PROJECTS FUND

LCDBG Public Facilities Program

This fund accounts for the financing and construction of street improvements in the Town; financing to be provided by general revenues, excess sales tax revenues, and by a federal grant.

TOWN OF JENA, LOUISIANA
 CAPITAL PROJECTS FUND
 LCDBG PUBLIC FACILITIES PROGRAM
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2019 AND 2018

	2019	2018
<u>ASSETS</u>		
Cash	\$ 10	\$ 10
Total assets	\$ 10	\$ 10
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities	\$ -	\$ -
Restricted fund balance	\$ 10	\$ 10
Total liabilities and fund balance	\$ 10	\$ 10

See Independent Auditor's Report.

TOWN OF JENA, LOUISIANA
 CAPITAL PROJECTS FUND
 LCDBG PUBLIC FACILITIES PROGRAM

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
<u>REVENUES</u>		
Capital grants	\$ -	\$ -
Total revenues	\$ -	\$ -
<u>EXPENDITURES</u>		
Capital expenditures	\$ -	\$ -
Total expenditures	\$ -	\$ -
Revenues under expenditures	\$ -	\$ -
<u>OTHER FINANCING SOURCES</u>		
Total other financing sources	\$ -	\$ -
Excess of revenues and other financing sources over expenditures	\$ -	\$ -
Fund balance - beginning of year	10	10
Fund balance - end of year	\$ 10	\$ 10

See Independent Auditor's Report.

UTILITY SYSTEM ENTERPRISE FUND

Enterprise funds are used for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes.

Utility system enterprise fund is used to account for operations of the natural gas distribution system, water distribution system, and sewer services provided to the residents of the Town and to certain surrounding areas. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service, billing, and collection.

TOWN OF JENA, LOUISIANA
 ENTERPRISE FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2019 AND 2018

	2019	2018
<u>ASSETS</u>		
Current assets		
Cash	\$ 844,719	\$ 717,784
Receivables:		
Accounts (net of allowance for doubtful accounts)	268,705	294,739
Intergovernmental	6,666	4,941
Other	1,129	1,129
Due from other funds	51,702	33,624
Prepaid expenses	98,504	97,654
Inventory	118,460	111,411
Total current assets	\$ 1,389,885	\$ 1,261,282
Noncurrent assets		
Restricted assets		
Meter deposit account	\$ 162,423	\$ 151,909
Temporary investments (at cost)	368,358	360,305
Utility system improvement deposit accounts	370,625	345,734
Total restricted assets	\$ 901,406	\$ 857,948
Fixed assets		
Property, plant, and equipment	\$ 11,751,438	\$ 11,652,774
Accumulated depreciation	(9,282,361)	(9,100,204)
Fixed assets (net of accumulated depreciaton)	\$ 2,469,077	\$ 2,552,570
Total assets	\$ 4,760,368	\$ 4,671,800

- continued -

TOWN OF JENA, LOUISIANA
 ENTERPRISE FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2019 AND 2018

	2019	2018
<u>LIABILITIES</u>		
Current liabilities (payable from current assets)		
Accounts payable and accrued wages	\$ 44,728	\$ 29,183
Due to other funds	43,401	40,530
	\$ 88,129	\$ 69,713
Current liabilities (payable from restricted assets)		
Payable from meter deposit account		
Meter deposits	\$ 149,885	\$ 140,350
	\$ 149,885	\$ 140,350
Total current liabilities	\$ 238,014	\$ 210,063
Total liabilities	\$ 238,014	\$ 210,063
<u>NET POSITION</u>		
Investment in capital assets, net of related debt	\$ 2,469,077	\$ 2,552,570
Unrestricted	2,053,277	1,909,167
	\$ 4,522,354	\$ 4,461,737
Total net position	\$ 4,522,354	\$ 4,461,737
Total liabilities and net position	\$ 4,760,368	\$ 4,671,800

See Independent Auditor's Report.

TOWN OF JENA, LOUISIANA
 ENTERPRISE FUND
 MUNICIPAL UTILITIES SYSTEM

COMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES
 ALL DEPARTMENTS

YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
<u>OPERATING REVENUES</u>		
Charges for sales and services	\$ 1,893,470	\$ 1,879,271
Other operating revenue	51,441	56,393
	\$ 1,944,911	\$ 1,935,664
<u>OPERATING EXPENSES</u>		
Natural gas purchases	\$ 220,811	\$ 249,565
Salaries	553,096	544,979
Employee benefits	282,277	255,583
Payroll taxes	7,962	7,609
Operating supplies	271,235	267,213
Gas and oil	35,996	32,031
Utilities	76,305	80,915
Telephone	16,294	15,162
Repairs and maintenance	45,625	54,244
Depreciation	182,158	294,448
Training	22,765	9,959
Uniform rental	10,000	10,773
Professional fees	28,254	24,038
Office expense	8,013	4,162
Insurance	103,845	110,190
Dues and subscriptions	946	1,713
Lab reports and surveys	63,588	36,362
Drug testing	1,335	1,210
Bad debts/recoveries	8,761	(2,840)
Miscellaneous	17,264	15,234
	\$ 1,956,530	\$ 2,012,550
Total operating expenses	\$ 1,956,530	\$ 2,012,550
Operating loss	\$ (11,619)	\$ (76,886)

See Independent Auditor's Report.

TOWN OF JENA, LOUISIANA
 ENTERPRISE FUND
 MUNICIPAL UTILITIES SYSTEM

COMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES
 WATER SYSTEM

YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
<u>OPERATING REVENUES</u>		
Charges for sales and services	\$ 717,255	\$ 716,369
Other operating revenue	19,486	21,497
	\$ 736,741	\$ 737,866
<u>OPERATING EXPENSES</u>		
Salaries	\$ 188,772	\$ 200,704
Employee benefits	108,471	92,299
Payroll taxes	2,719	2,806
Operating supplies	78,699	107,072
Gas and oil	2,402	2,276
Utilities	32,428	31,611
Telephone	7,756	7,078
Repairs and maintenance	10,041	24,788
Depreciation	75,175	95,663
Uniform rental	452	611
Professional fees	9,831	8,529
Office expense	5,682	3,235
Insurance	32,796	37,280
Dues and subscriptions	278	1,375
Lab reports and surveys	17,779	17,847
Bad debts/recoveries	2,614	(895)
Miscellaneous	7,892	6,897
	\$ 583,787	\$ 639,176
Operating income	\$ 152,954	\$ 98,690

See Independent Auditor's Report.

TOWN OF JENA, LOUISIANA
 ENTERPRISE FUND
 MUNICIPAL UTILITIES SYSTEM

COMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES
 NATURAL GAS SYSTEM

YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
<u>OPERATING REVENUES</u>		
Charges for sales and services	\$ 801,169	\$ 819,687
Other operating revenue	21,766	24,597
Total operating revenues	<u>\$ 822,935</u>	<u>\$ 844,284</u>
<u>OPERATING EXPENSES</u>		
Natural gas purchases	\$ 220,811	\$ 249,565
Salaries	151,106	123,301
Employee benefits	92,944	91,156
Payroll taxes	2,179	1,725
Operating supplies	45,818	41,762
Gas and oil	31,253	27,105
Utilities	5,611	5,709
Telephone	5,877	6,345
Repairs and maintenance	24,471	16,455
Depreciation	13,603	75,274
Training	22,765	9,959
Uniform rental	8,544	8,616
Professional fees	11,427	8,529
Office expense	1,632	190
Insurance	30,362	30,566
Dues and subscriptions	498	249
Lab reports and surveys	31,765	12,797
Drug testing	1,335	1,210
Bad debts/recoveries	3,191	(1,034)
Miscellaneous	7,444	7,381
Total operating expenses	<u>\$ 712,636</u>	<u>\$ 716,860</u>
Operating income	<u>\$ 110,298</u>	<u>\$ 127,424</u>

See Independent Auditor's Report.

TOWN OF JENA, LOUISIANA
 ENTERPRISE FUND
 MUNICIPAL UTILITIES SYSTEM

COMPARATIVE STATEMENT OF OPERATING REVENUES AND EXPENSES
 SEWER SYSTEM

YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
<u>OPERATING REVENUES</u>		
Charges for sales and services	\$ 375,046	\$ 343,215
Other operating revenue	10,189	10,299
	\$ 385,235	\$ 353,514
<u>OPERATING EXPENSES</u>		
Salaries	\$ 213,218	\$ 220,974
Employee benefits	80,862	72,128
Payroll taxes	3,064	3,078
Operating supplies	146,718	118,379
Gas and oil	2,341	2,651
Utilities	38,266	43,594
Telephone	2,661	1,739
Repairs and maintenance	11,113	13,001
Depreciation	93,379	123,511
Uniform rental	1,004	1,546
Professional fees	6,996	6,979
Office expense	699	737
Insurance	40,687	42,344
Dues and subscriptions	170	90
Lab reports and surveys	14,044	5,718
Bad debts/recoveries	2,956	(911)
Miscellaneous	1,928	956
	\$ 660,106	\$ 656,514
Total operating expenses		
Operating loss	\$ (274,871)	\$ (303,000)

See Independent Auditor's Report.

FIDUCIARY FUNDS
(AGENCY)

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments, and/or other funds.

Agency Funds

Accounts Payable Clearing Fund - to account for the collection and payment of purchases from vendors and suppliers.

Payroll Clearing Fund - to account for the collection and payment of employee compensation and payroll deductions to the appropriate agencies.

TOWN OF JENA, LOUISIANA
 FIDUCIARY FUNDS
 COMBINING BALANCE SHEETS
 DECEMBER 31, 2019

WITH COMPARATIVE TOTAL FOR DECEMBER 31, 2018

	Agency Funds		Totals	
	Accounts Payable Clearing Fund	Payroll Clearing Fund	2019	2018
<u>ASSETS</u>				
Cash	\$ 49,602	\$ 66,581	\$ 116,183	\$ 84,256
Total assets	<u>\$ 49,602</u>	<u>\$ 66,581</u>	<u>\$ 116,183</u>	<u>\$ 84,256</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities				
Due to other funds	\$ 49,602	\$ 66,581	\$ 116,183	\$ 84,256
Total liabilities	<u>\$ 49,602</u>	<u>\$ 66,581</u>	<u>\$ 116,183</u>	<u>\$ 84,256</u>
Fund balance				
Unreserved, undesignated	\$ -	\$ -	\$ -	\$ -
Total fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities and fund balance	<u>\$ 49,602</u>	<u>\$ 66,581</u>	<u>\$ 116,183</u>	<u>\$ 84,256</u>

See Independent Auditor's Report.

**SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD**

TOWN OF JENA, LOUISIANA
 SCHEDULE OF COMPENSATION, BENEFITS, AND
 OTHER PAYMENTS TO AGENCY HEAD
 FOR THE YEAR ENDED DECEMBER 31, 2019

Agency Head: The Honorable LaDawn Edwards, Mayor

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 52,378
Benefits - health insurance	8,015
Benefits - workmen's compensation insurance	338
Benefits - retirement	12,703
Vehicle allowance	8,400
Travel - general	<u>2,208</u>
Total	<u>\$ 84,042</u>

See Independent Auditor's Report.

TOWN OF JENA, LOUISIANA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED DECEMBER 31, 2019

Name of Agency or Department	CFDA or Other Number	Name of Program	Pass-Through Grant Number	Total Awards Expended
<u>U.S. Department of Transportation</u>				
Passed through Louisiana Department of Transportation	20.205	Highway Planning and Construction	H009765	\$ <u>883,780</u>
Total U.S. Department of Transportation				\$ <u>883,780</u>

NOTES TO THIS SCHEDULE

1. This schedule includes the federal award activity of the Town under a program of the federal government for the year ended December 31, 2019. The information in this schedule is presented in accordance with the requirement of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town.
2. Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.
3. The Town did not elect to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS
AND THE UNIFORM GUIDANCE**



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

The Honorable LaDawn Edwards, Mayor
and Members of the Town Council
Town of Jena, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Jena, Louisiana, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Town of Jena, Louisiana's basic financial statements, and have issued our report thereon dated June 16, 2020.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or 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 over financial reporting 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 Town of Jena, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in cursive script that reads "Silas Simmons, LLP".

Natchez, Mississippi
June 16, 2020



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**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

The Honorable LaDawn Edwards, Mayor
and Members of the Town Council
Town of Jena, Louisiana

Report on Compliance with Requirements for Each Major Federal Program

We have audited the Town of Jena, Louisiana's (the Town) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended December 31, 2019. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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 audit requirements of Title 2 U.S., *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

Report on Internal Control Over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Natchez, Mississippi
June 16, 2020

TOWN OF JENA, LOUISIANA
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019

Section I: Summary of Auditor's Reports

A. Financial Statements:

1. Type of auditor's report issued on the financial statements Unqualified

B. Report on Internal Control and Compliance Material to the Financial Statements:

1. Internal control over financial reporting:

- a. Material weakness(es) identified? No
- b. Significant deficiency(ies) identified that are not considered to be material weaknesses? None reported

2. Compliance:

- a. Material noncompliance relating to the financial statements? No

Federal Awards:

1. Type of auditor's report issued on compliance for major programs: Unmodified

2. Internal control over major programs:

- a. Material weakness(es) identified? No
- b. Significant deficiency(ies) identified that are not considered to be material weaknesses? None reported

3. Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualifies as low-risk auditee? No

TOWN OF JENA, LOUISIANA
STATUS OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2018

<u>Reference No.</u>	<u>Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>	<u>Action/Partial Corrective Action Taken</u>
----------------------	-----------------------------------	-------------------------------	--------------------------------	---

Section I - Internal Control and Compliance Material to the Financial Statements:

None

Section II - Internal Control and Compliance Material to Federal Awards:

None

Section III - Management Letter:

None

TOWN OF JENA, LOUISIANA

CURRENT YEAR FINDINGS, RECOMMENDATIONS, AND CORRECTIVE ACTION PLANNED

FOR THE YEAR ENDED DECEMBER 31, 2019

<u>Reference No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
----------------------	-------------------------------	----------------------------------	-------------------------------	------------------------------------

Section I – Internal Control and Compliance Material to the Financial Statements:

None

Section II – Internal Control and Compliance Material to Federal Awards:

None

Section III – Management Letter:

None

AGREED-UPON PROCEDURES REPORT



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

To the Town of Jena, Louisiana
and the Louisiana Legislative Auditor:

We have performed the procedures in the attached supplement, which were agreed to by the Town of Jena, Louisiana (the Town) and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2019 through December 31, 2019. The Town's management is responsible for those control and compliance areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are included in the supplement to this report.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those control and compliance areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

Silas Simmons, LLP

Natchez, Mississippi
June 16, 2020

THE TOWN OF JENA, LOUISIANA
SUPPLEMENTAL SCHEDULE OF AGREED-UPON PROCEDURES AND FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories:
 - a) *Budgeting*, including preparing, adopting, monitoring, and amending the budget.
 - b) *Purchasing*, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the public bid law, and (5) documentation required to be maintained for all bids and price quotes.
 - c) *Disbursements*, including processing, reviewing, and approving
 - d) *Receipts/Collections*, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) *Payroll/Personnel*, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - f) *Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - g) *Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)*, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - h) *Travel and Expense Reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - i) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
 - j) *Debt Service*, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
 - k) *Disaster Recovery/Business Continuity*, including (1) identification of critical data and frequency of backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Findings: We reviewed the written policies and procedures for the related functions listed above in the procedures. Through our review, we were able to verify that the Town has appropriate written policies and procedures for the related topics with the exception of disaster recovery/business continuity.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.
 - c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

The above procedures were not performed due to no exceptions in prior year testing.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select four additional accounts (or all accounts if less than five). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within two months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

The above procedures were not performed due to no exceptions in prior year testing.

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select five deposit sites (or all deposit sites if less than five).

Findings: We reviewed a listing of deposit sites for the fiscal period and management's representation that the listing is complete. The Town has only one deposit site.

No exceptions were noted during the above procedures.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., five collection locations for five deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee verifies the reconciliation.

Findings: We obtained a listing of collection locations and management's representation that the listing is complete. The Town has only one collection location at the one deposit site. We obtained written policies and procedures and inquired of management and employees to determine whether employees who are responsible for cash collections do not share cash drawers/registers, do not prepare/make bank deposits, and is not responsible for posting collection entries to the general ledger or subsidiary ledgers, and employees responsible for reconciling cash collections to the general ledger or subsidiary ledger(s) are not responsible for collecting cash.

Through our review, we noted that the cash registers are shared among employees because there are more employees who can collect cash at one time than cash registers in case an employee has to perform another duty.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Findings: We inquired of management to determine if they are covered by a bond or insurance policy for theft to determine that there is a blanket policy covering theft.

No exceptions were noted during the above procedures.

7. Randomly select two deposit dates for each of the five bank accounts selected for Procedure 3 under "Bank Reconciliations," (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

- e) Trace the actual deposit per the bank statement to the general ledger.

Findings: We randomly selected two deposit dates for each of the five bank accounts selected under Procedure 3 and performed the procedures above by observing that receipts are sequentially pre-numbered, traced to collection documentation and the bank statements. We observed that deposits were made within one business day of receipt and that the deposits were traced from the bank statement to the general ledger.

No exceptions were noted during the above procedures.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select five locations (or all locations if less than five).

The above procedure was not performed due to no exceptions in prior year testing.

9. For each location selected under Procedure 8, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
- b) At least two employees are involved in processing and approving payments to vendors.
- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

The above procedures were not performed due to no exceptions in prior year testing.

10. For each location selected under Procedure 8, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select five disbursements for each location, obtain supporting documentation for each transaction, and:

- a) Observe that the disbursement matched the related original invoice/billing statement.
- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under Procedure 9, as applicable.

The above procedures were not performed due to no exceptions in prior year testing.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-Cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

The above procedure was not performed due to no exceptions in prior year testing.

12. Using the listing prepared by management, randomly select five cards (or all cards if less than five) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.

The above procedures were not performed due to no exceptions in prior year testing.

13. Using the monthly statements or combined statements selected under Procedure 12, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

The above procedure was not performed due to no exceptions in prior year testing.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select five reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:
- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating), and other documentation required by written policy (Procedure 1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

The above procedures were not performed due to no exceptions in prior year testing.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly select five contracts (or all contracts if less than five) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment.
- d) Randomly select one payment from the fiscal period for each of the five contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

The above procedures were not performed due to no exceptions in prior year testing.

Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select five employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

The above procedures were not performed due to no exceptions in prior year testing..

17. Randomly select one pay period during the fiscal period. For the five employees/officials selected under Procedure 16, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

The above procedures were not performed due to no exceptions in prior year testing.

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employees'/officials' cumulate leave records, and agree the pay rates to the employees'/officials' authorized pay rates in the employees'/officials' personnel files.

The above procedures were not performed due to no exceptions in prior year testing.

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed by required deadlines.

The above procedures were not performed due to no exceptions in prior year testing.

Ethics

20. Using the five randomly selected employees/officials from Procedure 16 under "Payroll and Personnel," obtain ethics documentation from management, and:
- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

- b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Findings: For the five employees selected from Procedure 16, we observed documentation that demonstrates each employee completed one hour of ethics training during the fiscal period and documentation that demonstrates each employee attested through signature verification that he or she has read the entity's policy during the fiscal period.

No exceptions were noted during the above procedures.

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

The above procedures were not performed due to no exceptions in prior year testing.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

The above procedures were not performed due to no exceptions in prior year testing.

Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

The above procedure was not performed due to no exceptions in prior year testing.

24. Observe that the entity has posted on its premises and website the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

The above procedure was not performed due to no exceptions in prior year testing.

