

TOWN OF GLENMORA

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2021**



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November 27, 2021

Independent Auditors' Report

To the Honorable Mayor and Board of Aldermen
Town of Glenmora, 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 the Town of Glenmora, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

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 *Governmental 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 qualified audit opinion.

BASIS FOR QUALIFIED OPINIONS

Economic Development Fund - As discussed more fully in Note 15, the origins of transactions related to the economic development fund are unknown due to a lack of documentation. Due to the lack of documentation, we were unable to obtain sufficient appropriate audit evidence regarding the amounts reported by the Economic Development Fund.



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Town of Glenmora

November 27, 2021

QUALIFIED OPINIONS

In our opinion, except for the potential effects of the matters described in the "Basis for Qualified Opinion" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Economic Development Fund of the Town of Glenmora, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

UNMODIFIED 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 other than the those subject to qualifications described above, and the aggregate remaining fund information of the Town of Glenmora, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

Required Supplementary Information

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

- Management's Discussion and Analysis
- Budgetary Comparison Information
- Schedule of Net Pension Liability Data
- Schedule of Employer Contributions

Such information, although not a part of the basic financial statements, is required by the Government 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 Supplemental Information

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

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

The other supplementary information is the responsibility of management and is derived from and relates 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

Town of Glenmora November 27, 2021

accepted in the United States of America. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARD

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2021, on our consideration of the Town of Glenmora's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Glenmora's internal control over financial reporting and compliance.



Rozier, McKay & Willis
Certified Public Accountants



November 27, 2021

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

To the Honorable Mayor and Board of Aldermen
Town of Glenmora, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Glenmora, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated November 27, 2021

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We consider the deficiency described in the accompany schedule of findings and responses as 2021-001 to be a significant deficiency.



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Town of Glenmora

November 27, 2021

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Town of Glenmora's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and as item 2021-002 and 2021-003.

TOWN OF GLENMORA'S RESPONSE TO FINDINGS

The Town of Glenmora's response to the findings identified in our audit is described in the accompanying Management's Corrective Action Plan. The Town of Glenmora's response is not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Rozier, McKay & Willis
Certified Public Accountants

Town of Glenmora

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

This section of the Town of Glenmora's annual financial report presents our discussion and analysis of the Town's financial performance during the fiscal year ended June 30, 2021.

OVERVIEW OF FINANCIAL STATEMENTS

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

Government –Wide Financial Statements

The government-wide financial statements report information about the Town as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the Town's assets (including infrastructure acquired after July 1, 1980) and all of the Town's liabilities (including long-term debt).

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

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

Fund Financial Statements

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

- **Governmental Funds** – These funds are used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental funds use a modified accrual basis of accounting that provides a short-term view of the Town's finances. Assets reported by governmental funds are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.
- **Proprietary Fund** – These funds are used to account for activities that function in a manner similar to commercial enterprises, including activities associated with the Town's utility services. Proprietary fund financial statements typically provide a more detail presentation of the information reported in the business-type activities portion of the government-wide financial statements.

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

A comparative analysis of government-wide financial data is presented as follows:

Town of Glenmora

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

Net Position

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

	For the Year Ended June 30, 2021			For the Year Ended June 30, 2020
	Govern- mental Activities	Business- Type Activities	Total	
<u>Assets:</u>				
Current and Other Assets	\$ 434,870	\$ 438,676	\$ 873,546	\$ 799,506
Internal Balances	73,585	(73,585)	---	---
Capital Assets	1,517,995	2,660,205	4,178,200	4,229,284
Total Assets	<u>2,026,450</u>	<u>3,025,296</u>	<u>5,051,746</u>	<u>5,028,790</u>
Deferred Outflows	<u>23,460</u>	<u>31,508</u>	<u>54,968</u>	<u>73,941</u>
<u>Liabilities:</u>				
Current and Other Liabilities	136,436	165,050	301,486	249,073
Long-term Liabilities	90,612	2,062,750	2,153,362	2,151,193
Total Liabilities	<u>227,048</u>	<u>2,227,800</u>	<u>2,454,848</u>	<u>2,400,266</u>
Deferred Inflows	<u>1,690</u>	<u>2,195</u>	<u>3,885</u>	<u>18,647</u>
<u>Net Position:</u>				
Invested in Capital Assets (Net)	1,517,995	715,205	2,233,200	2,279,878
Restricted	116,769	---	116,769	279,909
Unrestricted	186,408	111,604	298,012	124,031
Total Net Position	<u>\$ 1,821,172</u>	<u>\$ 826,809</u>	<u>\$ 2,647,981</u>	<u>\$ 2,683,818</u>

As the presentation appearing above demonstrates, the largest portion of the Town's net position (84.3%) are invested in capital assets. Net position invested in capital assets consist of land, buildings, equipment, and infrastructure less any debt used to acquire the assets that remain outstanding. The Town uses these capital assets to provide services to its citizens; consequently, these amounts are not available for future spending.

An additional portion of the net position (4.4%) represent resources that are subject to restrictions that are imposed by agreements with the Town's bondholders or requirements imposed by various revenue sources.

The remaining resources are unrestricted and may be used at the Town's discretion.

Town of Glenmora

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

Changes in Net Position

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

	For the Year Ended June 30, 2021			For the Year Ended June 30, 2020
	Governmental Activities	Business-Type Activities	Total	
<u>Revenues:</u>				
Program Revenue:				
Charges for Services	\$ 403,436	\$ 579,677	\$ 983,113	\$1,033,487
Operating Grants and Contributions	192,764	---	192,764	111,827
Capital Grants and Contributions	---	---	---	---
General Revenue:				
Property Taxes	19,538	---	19,538	19,773
Sales Taxes	569,635	---	569,635	479,683
Franchise Taxes	62,255	---	62,255	65,251
Licenses and Permits	74,349	---	74,349	57,982
Sale of Assets	80,282	---	80,282	---
Insurance Proceeds	69,677	---	69,677	---
Other	30,089	202	30,291	53,457
Total Revenue	<u>1,502,025</u>	<u>579,879</u>	<u>2,081,904</u>	<u>1,821,460</u>
<u>Program Expenses:</u>				
General Government	356,253	---	356,253	359,107
Public Safety				
Police Department	314,485	---	314,485	377,122
Fire Department	136,941	---	136,941	118,563
Public Works				
Streets & Public Facilities	366,310	---	366,310	337,786
Sanitation	93,955	---	93,955	77,537
Culture and Recreation	6,672	---	6,672	6,672
Utility Service	---	843,125	843,125	756,361
Total Expenses	<u>1,274,616</u>	<u>843,125</u>	<u>2,117,741</u>	<u>2,033,148</u>
Increase in Net Position Before				
Transfers	227,409	(263,246)	(35,837)	(211,688)
Transfers	(155,990)	155,990	---	---
Change in Net Position	<u>71,419</u>	<u>(102,634)</u>	<u>(35,837)</u>	<u>(211,688)</u>
Net Position Beginning	<u>1,749,753</u>	<u>934,065</u>	<u>2,683,818</u>	<u>2,895,506</u>
Net Position Ending	<u>\$ 1,821,172</u>	<u>\$ 826,809</u>	<u>\$ 2,647,981</u>	<u>\$2,683,818</u>

Governmental activities increased the Town's net position by \$71,419. This increase is primarily due to the Town selling real estate that was no longer needed.

Town of Glenmora

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

Business-type activities, excluding transfers, decreased the Town's net position by \$102,634. The decrease is attributable to repairs required as a result of the three significant natural disasters during the current year.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

An analysis of significant matters affecting the Town's funds is presented as follows:

- The Town's governmental funds reported combined fund balances of \$372,019, which represents an increase of \$2,045. The general fund has an unassigned fund balance of \$255,250.
- Amounts reported for business-type activities in the Town's individual funds are identical to the business-type activities reported in the government-wide presentation.

GENERAL FUND BUDGET HIGHLIGHTS

The general fund original budget was adopted as required. The budget was amended to decrease revenues and appropriations.

CAPITAL ASSET ADMINISTRATION

Addition to the Town's capital assets were limited to purchasing real estate behind the Town Public Works Facility and a new back hoe.

DEBT ADMINISTRATION

The Town issued new utility revenue bonds and refunded existing USDA debt in order to receive a lower interest rate.

FACTORS EXPECTED TO AFFECT FUTURE OPERATIONS

At the present time, management is not aware of any factors expected to have a significant impact on future operations.

Town of Glenmora

STATEMENT OF NET POSITION

June 30, 2021

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 340,082	\$ 368,749	\$ 708,831
Receivables (net)	91,099	69,927	161,026
Other Assets	3,689	-	3,689
Internal balances	73,585	(73,585)	-
Capital assets			
Non depreciable capital assets	214,545	-	214,545
Depreciable capital assets, net	<u>1,303,450</u>	<u>2,660,205</u>	<u>3,963,655</u>
Total assets	<u>2,026,450</u>	<u>3,025,296</u>	<u>5,051,746</u>
<u>DEFERRED OUTFLOWS</u>			
Pension funding deferrals	<u>23,460</u>	<u>31,508</u>	<u>54,968</u>
<u>LIABILITIES</u>			
Accounts and other payables	136,436	35,395	171,831
Deposits due others	-	129,655	129,655
Long-term liabilities			
Long-Term Debt			
Due within one year	-	80,000	80,000
Due in more than one year	-	1,865,000	1,865,000
Net pension liability	<u>90,612</u>	<u>117,750</u>	<u>208,362</u>
Total liabilities	<u>227,048</u>	<u>2,227,800</u>	<u>2,454,848</u>
<u>DEFERRED INFLOWS</u>			
Pension funding deferrals	<u>1,690</u>	<u>2,195</u>	<u>3,885</u>
<u>NET POSITION</u>			
Invested in capital assets, net of related debt	1,517,995	715,205	2,233,200
Restricted For:			
Economic Development	24,694	-	24,694
Fire Department	92,075	-	92,075
Unrestricted	<u>186,408</u>	<u>111,604</u>	<u>298,012</u>
Total net position (deficit)	<u>\$ 1,821,172</u>	<u>\$ 826,809</u>	<u>\$ 2,647,981</u>

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

Town of Glenmora

STATEMENT OF ACTIVITIES **Year Ended June 30, 2021**

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenue</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants & Contributions</u>	
<u>Governmental Activities:</u>					
General Government	\$ 356,253	\$ -	\$ -	\$ -	\$ (356,253)
Public Safety					
Police Department	314,485	315,810	21,250	-	22,575
Fire Department	136,941	-	9,498	-	(127,443)
Public Works					
Streets and Public Facilities	366,310	-	162,016	-	(204,294)
Sanitation	93,955	87,626	-	-	(6,329)
Culture and Recreation	6,672	-	-	-	(6,672)
Total Governmental Activities	<u>1,274,616</u>	<u>403,436</u>	<u>192,764</u>	<u>-</u>	<u>(678,416)</u>
<u>Business-Type Activities:</u>					
Utility System	843,125	579,677	-	-	(263,448)
Total Business-Type Activities	<u>843,125</u>	<u>579,677</u>	<u>-</u>	<u>-</u>	<u>(263,448)</u>
Total	<u>\$ 2,117,741</u>	<u>\$ 983,113</u>	<u>\$ 192,764</u>	<u>\$ -</u>	<u>\$ (941,864)</u>

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

Town of Glenmora

STATEMENT OF ACTIVITIES (Continued) **Year Ended June 30, 2021**

	<u>Governmental</u> <u>Activities</u>	<u>Business-</u> <u>Type</u> <u>Activities</u>	<u>Total</u>
Net (Expense) Revenue (Continued From Previous Page)	\$ (678,416)	\$ (263,448)	\$ (941,864)
<u>General Revenues:</u>			
Taxes:			
Ad Valorem	19,538	-	19,538
Sales	569,635	-	569,635
Franchise	62,255	-	62,255
Licenses & Permits	74,349	-	74,349
Sale of Assets	80,282	-	80,282
Insurance proceeds	69,677	-	69,677
Other	30,089	202	30,291
Transfers	<u>(155,990)</u>	<u>155,990</u>	<u>-</u>
Total General Revenues, Special Items and Transfers	<u>749,835</u>	<u>156,192</u>	<u>906,027</u>
Change in Net Position	71,419	(107,256)	(35,837)
Net Position Beginning	<u>1,749,753</u>	<u>934,065</u>	<u>2,683,818</u>
Net Position Ending	<u>\$ 1,821,172</u>	<u>\$ 826,809</u>	<u>\$ 2,647,981</u>

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

Town of Glenmora

Balance Sheet

Governmental Funds - June 30, 2021

	General Fund	Economic Development	Non Major	Total Governmental Funds
Assets				
Cash and Cash Equivalents	\$ 258,897	\$ 3,934	\$ 77,251	\$ 340,082
Receivables (net)	76,275	-	14,824	91,099
Interfund Receivables	-	76,406	-	76,406
Other Assets	-	3,689	-	3,689
Total assets	\$ 335,172	\$ 84,029	\$ 92,075	\$ 511,276
Liabilities and Fund Balance				
Liabilities				
Accounts and Other Payable	\$ 77,101	\$ 59,335	\$ -	\$ 136,436
Interfund Payables	2,821	-	-	2,821
Total liabilities	79,922	59,335	-	139,257
Fund Balance				
Restricted for				
Economic Development	-	24,694	-	24,694
Fire Department	-	-	92,075	92,075
Unassigned	255,250	-	-	255,250
Total Fund Balances	255,250	24,694	92,075	372,019
Total Liabilities and Fund Balance	\$ 335,172	\$ 84,029	\$ 92,075	\$ 511,276

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

Town of Glenmora

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

Year Ended June 30, 2021

Total Fund Balances - Governmental Funds	\$ 372,019
Amounts reported for governmental activities in the statement of net position are different because:	
Liabilities not due and payable in the current period are excluded from the Governmental Fund Balance Sheet	(90,612)
Deferred Inflows of resources that do not meet criteria for inclusion in the Governmental Fund Balance Sheet	(1,690)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,517,995
Deferred outflows of resources that do not meet criteria for inclusion in the Governmental Fund Balance Sheet	<u>23,460</u>
Net Position of Governmental Activities	<u>\$ 1,821,172</u>

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

Town of Glenmora

Statement of Revenues, Expenditures and Changes in Fund Balance **Governmental Funds - Year Ended June 30, 2021**

	General Fund	Economic Development	Non Major	Total Governmental Funds
<u>Revenues:</u>				
Taxes:				
Ad Valorem	\$ 19,538	\$ -	\$ -	\$ 19,538
Sales	490,674	-	78,961	569,635
Franchise	62,255	-	-	62,255
Licenses & Permits	74,349	-	-	74,349
Charges for Services	87,626	-	-	87,626
Intergovernmental				
Rapides Parish Police Jury	162,016	-	-	162,016
Other	24,280	-	9,498	33,778
Fines and Forfeitures	315,810	-	-	315,810
Sale of Assets	80,282	-	-	80,282
Insurance Proceeds	51,663	-	18,014	69,677
Other	27,048	11	-	27,059
Total Revenues	1,395,541	11	106,473	1,502,025
<u>Expenditures:</u>				
Current:				
General Government	324,224	-	-	324,224
Public Safety				
Police Department	309,614	-	-	309,614
Fire Department	120,343	-	-	120,343
Public Works				
Streets and Public Facilities	332,534	-	-	332,534
Sanitation	93,955	-	-	93,955
Culture and Recreation	-	-	-	-
Economic Development	-	-	-	-
Capital Expenditures	163,320	-	-	163,320
Debt Service	-	-	-	-
Total Expenditures	1,343,990	-	-	1,343,990
Excess (Deficiency) of Revenue Over Expenditures	51,551	11	106,473	158,035
<u>Other Financing Sources (Uses):</u>				
Operating Transfers In (Out)	(58,826)	-	(97,164)	(155,990)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(7,275)	11	9,309	2,045
Fund Balance (Deficit) - Beginning of Year	262,525	24,683	82,766	369,974
Fund Balance (Deficit) - End of Year	\$ 255,250	\$ 24,694	\$ 92,075	\$ 372,019

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

Town of Glenmora

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

Year Ended June 30, 2021

Net change in fund balances of Governmental Funds		\$	2,045
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays in the current period exceeded depreciation.			
	Capital Expenditures	163,320	
	Depreciation	<u>(87,709)</u>	75,611
Some expenses reported in the statement of activities do no require the use of current financial resources and therefore are not reported as expenditures by governmental funds			<u>(6,237)</u>
Change in net position of governmental activities		\$	<u>71,419</u>

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

Town of Glenmora

Statement of Net Position Proprietary Funds - June 30, 2021

	Total Utility System
<u>ASSETS:</u>	
Current Assets:	
Cash and cash equivalents	\$ 368,749
Receivables (net)	<u>69,927</u>
Total current assets	438,676
Noncurrent Assets:	
Depreciable capital assets, net	<u>2,660,205</u>
Total assets	<u>3,098,881</u>
 DEFERRED OUTFLOWS:	
Employer contributions to pension plan	<u>31,508</u>
 <u>LIABILITIES:</u>	
Current Liabilities:	
Accounts and other payables	35,395
Interfund payables	73,585
Deposits due others	129,655
Current portion of long-term debt	<u>80,000</u>
Total current liabilities	318,635
Noncurrent Liabilities:	
Long-term debt	1,865,000
Net pension liability	<u>117,750</u>
Total liabilities	<u>2,301,385</u>
 DEFERRED INFLOWS:	
Pension funding deferrals	<u>2,195</u>
 <u>NET POSITION:</u>	
Invested in capital assets, net of related debt	715,205
Unrestricted	<u>111,604</u>
Total net position (deficit)	<u>\$ 826,809</u>

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

Town of Glenmora

Statement of Revenues, Expenses and Changes in Fund Net Position Proprietary Funds - June 30, 2021

	Total Utility System
<u>Operating Revenues:</u>	
Service Fees	\$ 575,165
Other	4,512
Total Operating Revenues	<u>579,677</u>
<u>Operating Expenses:</u>	
Salaries and Benefits	160,073
Legal and Professional	19,496
Repairs & Maintenance	159,156
Supplies & Chemicals	21,960
Utilities	63,587
Insurance	19,297
Consultants	107,397
Depreciation	127,632
Small Equipment	18,100
Debt Issue Costs	50,000
Other	27,035
Total Operating Expenses	<u>773,733</u>
Operating Income (Loss)	(194,056)
<u>Nonoperating Revenues (Expenses):</u>	
Interest Revenue	202
Interest Expense	<u>(69,392)</u>
Change in Net Position Before Operating Transfers	(263,246)
Operating transfers in (out)	<u>155,990</u>
Change in net position	(107,256)
Total net position - beginning	<u>934,065</u>
Total net position - ending	<u>\$ 826,809</u>

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

Town of Glenmora

Statement of Cash Flows

Proprietary Funds - Year Ended June 30, 2021

	Total Utility System
<u>Cash flow from operating activities:</u>	
Cash received from customers	\$ 564,661
Cash payments to suppliers of goods and services	(472,482)
Cash payments to employees for services	<u>(160,073)</u>
Net cash provided (used) by operating activities	<u>(67,894)</u>
<u>Cash flows from non-capital financing activities:</u>	
Change in interfund balances	4,600
Transfers in (out)	<u>155,989</u>
Net cash provided (used) by non-capital financing activities	<u>160,589</u>
<u>Cash flows from capital and related financing activities:</u>	
Grant proceeds received	-
Proceeds from debt	1,945,000
Principle paid on revenue bonds	(1,949,406)
Interest paid on debt instruments	<u>(69,392)</u>
Net cash provided (used) by capital and related financing activities	<u>(73,798)</u>
<u>Cash flows from investing activities:</u>	
Interest and other income	<u>202</u>
Net cash provided (used) by investing activities	<u>202</u>
Net increase (decrease) in cash	19,099
Beginning cash balance	<u>349,650</u>
Ending cash balance	<u>\$ 368,749</u>

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

Town of Glenmora

Statement of Cash Flows (Continued) **Proprietary Funds - Year Ended June 30, 2021**

	<u>Total Utility System</u>
<u>Reconciliation of operating income (loss)</u>	
<u>to net cash provided (used) by operating</u>	
<u>activities</u>	
Operating income (loss)	\$ (194,055)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	127,632
(Increase) decrease in accounts receivable	(15,123)
(Decrease) increase in accounts and other payables	15,840
(Decrease) increase in meter deposits	107
(Decrease) increase in net pension liability	4,549
(Decrease) increase in accrued payroll	(5,907)
(Decrease) increase in other assets	<u>(937)</u>
 Net cash provided (used) by operating activities	 <u>\$ (67,894)</u>

Supplemental disclosures of cash flow information:

During the year ended June 30, 2021, there were no operating, financing, or investing activities that did not result in cash receipts or payments.

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

Town of Glenmora

Notes To Financial Statements

June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Glenmora (the Town) was incorporated under the provisions of the Lawrason Act. The Town is governed by a Mayor and a Board of Alderman consisting of five (5) members. Services provided by the Town include police protection, fire protection, street maintenance, recreation and sanitation. The Town also operates a water distribution system and a sewer system.

The accompanying policies conform to generally accepted accounting principles for governmental units.

Financial Reporting Entity

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

Governmental Accounting Standards establish criteria for determining which component units should be considered part of the Town of Glenmora for financial reporting purposes. Based on these criteria the Town has no potential component units. The criteria considered are listed as follows:

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

Basic Financial Statements

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

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

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

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Town as a whole. The effect of most interfund activity is eliminated from these financial statements. Furthermore,

Town of Glenmora

Notes To Financial Statements

June 30, 2021

government-wide financial statements exclude fiduciary activities which are reported in the fund financial statements.

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

Fund Financial Statements

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

Major Governmental Funds

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

Economic Development – A special revenue fund to account for activity associated with revolving loan operated by the Town of Glenmora.

Major Business-Type Funds

Utility System – Used to account for activities associated with providing water, and sewer service to the citizens of Glenmora and customers residing in the surrounding area.

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

Basis of Accounting and Measurement Focus

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

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

Under the accrual basis of accounting and the economic resources measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred.

Under the modified accrual basis of accounting and the current financial resources measurement focus revenue is recognized when it is considered measurable and available. Revenue is considered available if it is collected within 60 days of year end or due under a cost reimbursement arrangement. In addition, expenses are generally recorded when a liability has been incurred; however, debt service, compensated absences, claims and

Town of Glenmora

Notes To Financial Statements

June 30, 2021

judgments are recorded as expenses when payment is made. Furthermore, when the current financial resources measurement focus is used, amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure. In addition, long-term debts are excluded from amounts reported as liabilities. Proceeds from issuing long-term debt are as reported as other financing sources and repayment of long-term debt is reported as an expenditure.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Restricted Assets:

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

Budget Practices:

Budgets including any amendments are prepared in the manner prescribed by Louisiana revised statutes. Town budgets present revenue and expenditures on a basis which is consistent with generally accepted accounting principles. Budgets are adopted annually for the general fund and each special revenue fund. The remaining funds are not required to adopt budgets.

Capital Assets

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

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value when received by the Town. Capital assets are depreciated using the straight-line method and estimated useful lives ranging from 4 to 50 years. Useful lives are selected depending on the expected durability of the particular asset.

Cash and Cash Equivalents:

Amounts reported as cash and cash equivalents (restricted and unrestricted) include all cash on hand, cash in bank accounts and certificates of deposit. Credit risk associated with bank deposits is limited by requiring fiscal agent banks to pledge securities as required by State Law. Furthermore, interest rate risk associated with certificates of deposits is typically mitigated by purchasing instruments that mature in one year or less.

Internal Activity:

Resources belonging to particular funds are commonly shared with other funds that need access to additional resources. When resources are provided without expectation of repayment, the transaction is reported as a transfer. Transfers are treated as a source of income by the recipient and as an expense or expenditure by the provider. If repayment is eventually expected to occur, interfund receivables and payables are recorded.

Town of Glenmora

Notes To Financial Statements

June 30, 2021

In preparing the government-wide financial statements, transfers are eliminated to present net transfers for governmental activities and business-type activities. In addition, interfund receivables and payables are eliminated to present a net internal balance for each type of activity.

Compensated Absences

Employees have limited ability to accumulate unused leave and do not have a vested interest in unused leave. Accordingly, there are no liabilities associated with compensated absences.

Fund Balance Classification:

Approval of the majority of the Board of Aldermen is required to approve the commitment of fund balances. In situations where it is permissible to spend restricted or committed resources, the Town typically depletes the available restricted or committed resources before consuming unrestricted resources.

NOTE 2 - CASH AND CASH EQUIVALENTS

At June 30, 2021, cash and cash equivalents included the following amounts:

	Governmental Activities	Business-Type Activities	Total
Cash Deposited in Banks	\$ 339,842	\$ 368,574	\$ 708,416
Cash on Hand	240	175	415
Cash and Cash Equivalents	<u>\$ 340,082</u>	<u>\$ 368,749</u>	<u>\$ 708,831</u>

Cash deposited in banks is stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2021, the Town has \$737,290 in deposits (collected bank balance). These deposits are protected by FDIC insurance in the amount of \$250,000 and pledged securities with a market value of \$469,855. The pledged securities are held by the custodial bank in the name of the fiscal agent bank.

Even though the pledged securities are considered uncollateralized, State law imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable for the year ended June 30, 2021 are summarized as follows:

	Governmental Activities	Business-Type Activities	Total
<u>Accounts Receivable</u>			
Charges for Services	\$ ----	\$ 98,052	\$ 98,052
Franchise Fees	10,746	---	10,746
Other	300	242	542
Allowance for Doubtful Accounts	---	(40,000)	(40,000)
Total Accounts Receivable	<u>11,046</u>	<u>58,294</u>	<u>69,340</u>

Town of Glenmora

Notes To Financial Statements

June 30, 2021

	Governmental Activities	Business-Type Activities	Total
<u>Due From Other Governmental Units</u>			
Sales Taxes	42,848	---	42,848
Insurance Fees	14,873	---	14,873
USDA	---	11,633	11,633
Rapides Parish Police Jury	22,332	---	22,332
Total Due From Other Governments	80,053	11,633	91,686
Total Receivables	\$ 91,099	\$ 69,927	\$ 161,026

NOTE 4 – CAPITAL ASSETS

Changes in governmental and business-type capital assets are presented as follows:

	Governmental Activities			
	Beginning Balance	Additions	Disposals	Ending Balance
<u>Non Depreciable Capital Assets</u>				
Land	\$ 127,795	\$ 86,750	\$ ----	\$ 214,545
Total Non-Depreciable Assets	127,795	86,750	----	214,545
<u>Depreciable Capital Assets</u>				
Equipment	696,188	76,570	31,426	741,332
Buildings	1,368,602	---	---	1,368,602
Infrastructure	748,750	---	---	748,750
Accumulated Depreciation	(1,498,951)	(87,709)	(31,426)	(1,555,234)
Total Depreciable Capital Assets	1,314,589	(11,139)	----	1,303,450
Total Capital Assets	\$ 1,442,384	\$ (75,611)	\$ ----	\$ 1,517,995
<u>Business-Type Activities</u>				
	Beginning Balance	Additions	Disposals	Ending Balance
<u>Depreciable Capital Assets</u>				
Sewer System				
Equipment	\$ 82,180	\$ ----	\$ 7,558	\$ 74,622
Buildings	19,294	---	---	19,294
Infrastructure	3,813,320	---	---	3,813,320
Accumulated Depreciation	(2,155,226)	(80,745)	(6,802)	(2,229,169)
Total Sewer System	1,759,568	(80,745)	756	1,678,067
Water System				
Equipment	318,727	---	44,000	274,727
Buildings	8,486	---	---	8,486
Infrastructure	1,899,172	---	---	1,899,172
Accumulated Depreciation	(1,198,115)	(46,132)	(44,000)	(1,200,247)
Total Water System	1,028,270	(46,132)	----	982,138
Total Business-type	\$ 2,787,838	\$ (126,877)	\$ 756	\$ 2,660,205

Town of Glenmora

Notes To Financial Statements

June 30, 2021

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

	Governmental Activities	Business-Type Activities	Total
Police Department	\$ 10,937	\$ ----	\$ 10,937
Fire Department	16,598	----	16,598
Streets and Public Facilities	32,160	----	32,160
General Government	25,792	----	25,792
Culture and Recreation	6,672	----	6,672
Sewer System	----	85,766	85,766
Water System	----	52,008	52,008
Total Depreciation Expense	<u>\$ 92,159</u>	<u>\$ 137,774</u>	<u>\$ 229,933</u>

NOTE 5 – ACCOUNTS AND OTHER PAYABLE

Amounts reported as accounts and other payables are summarized as follows:

	Governmental Activities	Business- Type Activities	Total
Payments Due Vendors	\$ 77,101	\$ 35,395	\$ 112,496
Obligations Related to Furnishing Economic Development Loans	59,335	----	59,335
Total	<u>\$ 136,436</u>	<u>\$ 35,395</u>	<u>\$ 171,831</u>

NOTE 6 - LONG-TERM LIABILITIES

Long-term liabilities attributable to the acquisition of the Town's utility system and the operation of the utility system are reported as an obligation of the Town's business-type enterprise funds. Any remaining long-term liabilities are reported as governmental activities. During the current year, the Town refinanced the bonds owed to the USDA. Therefore, the existing revenue bonds were paid off with new revenue bonds at a lower interest rate. The Town's long-term liabilities are summarized as follows:

	Governmental Activities	Business-Type Activities	Total
<u>Long-Term Liabilities</u>			
Revenue Bonds	\$ ----	\$ 1,865,000	\$ 1,865,000
Due Within One Year	----	80,000	80,000
Due in More Than One Year	<u>\$ ----</u>	<u>\$ 1,945,000</u>	<u>\$ 1,945,000</u>

Debt Instruments

Long-term liabilities include debt instruments that are summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Business-Type Activities</u>				
Revenue Bonds	\$ 1,949,406	\$ 1,945,000	\$ 1,949,406	\$ 1,945,000

Town of Glenmora

Notes To Financial Statements

June 30, 2021

A description of the various debt instruments is presented as follows:

Revenue Bonds

\$1,945,000 Utility Revenue Bond Series 2021, bearing interest at a rate ranging from .99% to 3.00%, payable in annual installments of ranging from \$80,000 to \$125,000 with the final installment due in 2041.

\$ 1,945,000

A schedule of maturities of debt instruments excluding capital leases is presented as follows:

<u>Year Ended June 30th</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>Business-Type</u>			
<u>Activities</u>			
2022	\$ 80,000	\$ 46,579	\$ 126,579
2023	80,000	45,787	125,787
2024	80,000	44,955	124,955
2025	85,000	44,019	129,019
2026	85,000	42,889	127,889
2027-2031	445,000	191,880	636,880
2032-2036	505,000	133,950	638,950
2037-2041	585,000	53,700	638,700
Total Business-Type	<u>\$1,945,000</u>	<u>\$ 603,758</u>	<u>\$ 2,548,758</u>

NOTE 7 – TAXES:

Ad Valorem Taxes:

The Town bills and collects its own property taxes using the assessed values determined by the Tax Assessor of Rapides Parish. Property taxes are limited to an assessment for general alimony as permitted by State Law. Ad valorem taxes are assessed on a calendar year basis and are due on or before December 31 in the year the tax is levied. Revenues from ad valorem taxes are recognized as revenue in the year billed by the Town's General Fund.

Sales Taxes:

Sales taxes are collected by the Parish of Rapides and remitted to the Town on a monthly basis. For the year ended June 30, 2021 the Town has levied sales taxes described as follows:

- A 1.0% sales tax available for the general operations of the Town.
- A 0.5% sales tax dedicated to the operations and maintenance of the Town's Fire Department.
- The Town is also entitled to receive a portion of a parish-wide sales tax that is shared with other government agencies. The proceeds of this tax are unrestricted. Accordingly, the tax is deposited in the general fund and expended at the Town's discretion.

NOTE 8- RISK MANAGEMENT

The Town is exposed to various risk of loss related to torts; theft, damage or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town insures against these risks by participation in public entity risk pools that operate as common insurance programs and by purchasing commercial

Town of Glenmora

Notes To Financial Statements

June 30, 2021

insurance. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

NOTE 9 – RESTRICTIONS AND COMMITMENTS

Details regarding limitations imposed on the use of various resources are summarized as follows:

Debt Service

Bond covenants require the Town to establish bank accounts which serve as debt service and depreciation reserves. Funds may be disbursed from these accounts only under specific circumstances described by the bond covenants. Amounts on deposit in these accounts are reported as restricted cash. In addition, the corresponding amounts of net position are also presented as restricted net position by the applicable funds.

Fire Protection

The Town has collected taxes that are dedicated to providing Fire Protection. Amounts that are subject to this dedication are reported as restricted.

Economic Development

A revolving loan fund established by a grant dedicated to Economic Development is considered restricted.

NOTE 10 – PENSION PLANS

The Town's employees are eligible to be members of a statewide retirement system. This system is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. A summary of amounts reported in connection with participation in this plan is summarized as follows:

	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Municipal Employees' Retirement System	\$ 208,362	\$ 54,968	\$ 3,885
Portion Applicable to Business Type Activities	<u>117,750</u>	<u>31,508</u>	<u>2,195</u>
Portion Applicable to Government Type Activities	<u>\$ 90,612</u>	<u>\$ 23,460</u>	<u>\$ 1,690</u>

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. Employees of the municipality are members of Plan B. Permanent employees not engaged in law enforcement 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 B, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2 percent of their final-average monthly salary in excess of \$100 for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 3 percent for each year retirement precedes age 62. In any case, monthly retirement benefits paid under Plan B cannot exceed 100 percent of final-average salary. 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 by state statute.

Town of Glenmora

Notes To Financial Statements

June 30, 2021

The System issued an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained going to mersla.com.

Funding Policy - Under Plan B, members are required by state statute to contribute 5.0 percent of their annual covered salary and the Town is required to contribute at an actuarially determined rate. Contributions to the System also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. 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 State law, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town's contributions to the system were equal to 15.5% of member earnings.

Financial Summary – The plan description, funding policies and financial information provides a summary of the Plan provisions and finances. For additional details, the System issues an annual publicly available standalone financial report. The financial report includes information about the plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position. The report can be obtained on the internet at mersla.com. The plans net pension liability was determined at June 30, 2020 (measurement date and actuarial valuation date) and details are provided as follows:

Total Pension Liability	\$ 268,596,718
Plan Fiduciary Net Pension	177,974,097
Employer's net pension liability	<u>90,622,621</u>
Town's Proportionate Share (Percentage)	0.229925%
Town's Proportionate Share (Amount)	<u>\$ 208,362</u>

The net pension liability presented above was not affected by any special funding situations. Changes in the Town's proportionate share of Plan's net pension liability during the measurement period ending June 30, 2019 are provided as follows:

Beginning Net Pension Liability	\$ 201,787
Employer Contributions	(25,233)
<u>Pension Expense</u>	
Proportionate Share of Plan Pension Expense	37,801
Changes in Proportion	2,336
Employee Contributions	<u>(6,394)</u>
Deferred Outflows of Resources	(16,698)
Deferred Inflows of Resources	14,763
Ending Net Pension Liability	<u>\$ 208,362</u>

There were no changes between June 30, 2020 and the Plan's measurement date that are expected to have a significant effect on the Town's proportionate share of the collective net pension liability. Balances presented as deferred outflows of resources and deferred inflows of resources reported in connection with participation in the plan are presented as follows:

Town of Glenmora

Notes To Financial Statements

June 30, 2021

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences Between Expected and Actual Experience	\$ ----	\$ 3,506	\$ (3,506)
Net Difference Between Projected and Actual Investment			
Earnings on Pension Plan Investments	22,621	----	22,621
Changes of Assumptions	6,458	----	6,458
Changes in Proportion	3,497	379	3,118
Employer Contributions Made After the Measurement Date	22,392	----	22,392
Total Deferrals	54,968	3,885	51,083
Deferrals That Will be Recorded as a Reduction in Net			
Pension Liability in the Subsequent Reporting Period	22,392	----	22,392
Deferrals Subject to Amortization	\$ 32,576	\$ 3,885	\$ 28,691

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

<u>For the Year Ending:</u>	
June 30, 2021	\$ 13,823
June 30, 2022	6,400
June 30, 2023	5,154
June 30, 2024	3,314
Total	\$ 28,691

The actuarial assumptions used in the June 30, 2020 valuation was based on the results of an experience study, for the period July 1, 2013 through June 30, 2018.

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

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal Cost
Expected Remaining Service Lives	3 years
Investment Rate of Return	6.95%, net of pension plan investment expense, including inflation
Inflation Rate of Return	2.5%
Projected Salary Increases	1 to 4 years of service – 7.4% More than 4 years of service – 4.9%

Town of Glenmora

Notes To Financial Statements

June 30, 2021

Annuitant and beneficiary mortality	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP 2018 scales.
Employee mortality	PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP 2018 scales.
Disabled lives mortality	PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP 2018 scales.

Discount Rate

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

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Public equity	53%	2.33%
Public fixed income	38%	1.67%
Alternatives	9%	0.40%
Totals	100%	4.40%
Inflation		2.60%
Expected Arithmetic Nominal Return		7.00%

The discount rate used to measure the total pension liability was 6.95% for the years ended June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The effects of certain other changes in the net pension liability are required to be included in pension expense over the current and future periods. The effects on the total pension liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees), determined as of the beginning of the measurement period. The effect on net pension liability of differences between the projected earnings on pension plan investments and actual experience with regard to those earnings is required to be included in

Town of Glenmora

Notes To Financial Statements

June 30, 2021

pension expense in a systematic and rational manner over a closed period of five years, beginning with the current period.

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

	1% Decrease 5.95% Discount Rate	Current Discount Rate 6.95%	1% Increase 7.95% Discount
Net Pension Liability	\$ 277,371	\$ 208,362	\$ 149,974

NOTE 11 – INTERNAL BALANCES

In some cases resources available in particular funds have been used to supplement the operations of other funds. Internal receivables and payables have arisen as a result of these transactions. These internal balances are summarized as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>	<u>Net</u>
<u>Governmental Funds</u>			
General Fund	\$ ----	\$ 2,821	\$ (2,821)
Economic Development	76,406	----	76,406
Non Major Fund	----	----	----
Total Governmental Funds	<u>76,406</u>	<u>2,821</u>	<u>73,585</u>
<u>Business Type Funds</u>			
Utility System	----	73,585	(73,585)
Total	<u>\$ 76,406</u>	<u>\$ 76,406</u>	<u>\$ ----</u>

NOTE 12 - TRANSFERS

In the ordinary course of business, the Town routinely transfers resources between its funds to utilize resources where needed. Transfers during the year ended June 30, 2021 are summarized as follows:

	<u>Operating Transfers In/(Out)</u>
<u>Governmental Funds</u>	
General Fund	\$ (58,826)
Non Major	(97,164)
	<u>(155,990)</u>
<u>Business-Type Funds</u>	
Utility System	155,990
Total Business-Type	<u>155,990</u>
Net Transfers	<u>\$ ----</u>

Town of Glenmora

Notes To Financial Statements

June 30, 2021

NOTE 13 – CONTINGENCIES:

Existing conditions that may have financial consequences are referred to as contingencies. Contingencies existing at June 30, 2021 are described as follows:

Litigation

Like most governmental units with extensive and diverse operations, the Town is occasionally named as a defendant in litigation. Based on analysis of pending and threatened matters, exposure to loss is limited to paying deductibles necessary to utilize insurance coverage.

Grant Compliance

The Town receives state and federal assistance through various grant programs. Management is confident that all significant grant conditions have been met; however, grantor agencies routinely review grant activity and could request reimbursement if a dispute occurs regarding compliance with grant conditions.

NOTE 14 – ON BEHALF PAYMENTS

The State of Louisiana provides supplemental pay for public safety employees that meet certain requirements. Amounts reported as revenue and expenditures in connection with State Supplemental Pay are presented as follows:

Police Department	\$ 21,250
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NOTE 15 – ECONOMIC DEVELOPMENT FUND

Management believes that decades ago the Town received a Community Development Block Grant that was intended to establish a revolving loan fund for business in the Town of Glenmora. The original documents related to this grant are not available. In addition, the Town has not maintained payment histories to document collections made in connection with these loans. Without access to the loan terms and payment histories it is impossible to obtain sufficient evidence to support the amounts reported as loan balances. Furthermore, originally the financial statements report a \$17,323 interfund receivable to the water fund and \$4,995 to the general fund. Current management is unaware of the origins of this receivable. Due to the lack of information involving this fund any misstatement in this fund cannot be practically determined.

The amounts reported as loan balances at June 30, 2021 are:

Notes Receivable	\$ 56,824
Allowance for bad debts	<u>(53,135)</u>
Net	<u>\$ 3,689</u>

Town of Glenmora

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Year Ended June 30, 2021

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				<u>Positive</u> <u>(Negative)</u>
Total Revenues	<u>\$ 1,370,500</u>	<u>\$ 1,188,079</u>	<u>\$ 1,395,541</u>	<u>\$ 207,462</u>
<u>Expenditures:</u>				
Current:				
General Government	340,000	445,065	324,224	120,841
Public Safety				
Police Department	348,000	281,794	309,614	(27,820)
Fire Department	100,000	86,474	120,343	(33,869)
Public Works				
Streets and Drainage	407,000	327,436	332,534	(5,098)
Sanitation	110,000	85,381	93,955	(8,574)
Recreation	20,000	50,229	-	50,229
Capital Expenditures	-	-	163,320	(163,320)
Total Expenditures	<u>1,325,000</u>	<u>1,276,379</u>	<u>1,343,990</u>	<u>(67,611)</u>
Excess (Deficiency) of Revenue Over Expenditures	45,500	(88,300)	51,551	139,851
<u>Other Financing Sources (Uses):</u>				
Operating Transfers In	60,000	60,000	-	(60,000)
Operating Transfers Out	-	-	(58,826)	(58,826)
Excess (Deficiency) of Revenues and Other Sources				
Over Expenditures and Other Uses	105,500	(28,300)	(7,275)	21,025
Fund Balance (Deficit) - Beginning of Year	<u>260,710</u>	<u>262,525</u>	<u>262,525</u>	<u>-</u>
Fund Balance (Deficit) - End of Year	<u>\$ 366,210</u>	<u>\$ 234,225</u>	<u>\$ 255,250</u>	<u>\$ 21,025</u>

Town of Glenmora

Schedule of Net Pension Liability Data Cost Sharing Retirement Systems

Retirement System / Measurement Date	Share of Collective		Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll	Plans Fiduciary Net Position as a Percentage of Total
	Net Pension Liability				
	Percent	Amount			
Municipal Employees' Retirement System					
June 30, 2014	0.14%	63,445	91,909	69.0%	76.9%
June 30, 2015	0.16%	109,396	149,606	73.1%	68.7%
June 30, 2016	0.20%	166,513	193,049	86.3%	63.3%
June 30, 2017	0.26%	225,029	193,049	116.6%	62.5%
June 30, 2018	0.22%	182,651	159,858	114.3%	65.6%
June 30, 2019	0.23%	201,787	178,185	113.2%	66.1%
June 30, 2020	0.23%	208,362	160,721	129.6%	66.2%

Notes to Schedule:

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

Town of Glenmora

Schedule of Employer Contributions Cost Sharing Retirement Systems

Retirement System / Fiscal Year Ending	Statutorily Required Employer Contributions	Contributions Recognized By the Pension Plan	Difference Between Required and Recognized Contributions	Covered Payroll	Contributions Recognized as a Percentage of Covered Payroll
Municipal Employees' Retirement System					
June 30, 2014	8,042	8,042	-	91,909	8.75%
June 30, 2015	10,607	14,212	(3,605)	149,606	9.50%
June 30, 2016	21,235	14,020	7,215	193,049	7.26%
June 30, 2017	21,235	21,294	(59)	193,049	11.03%
June 30, 2018	21,181	21,329	(148)	159,858	13.34%
June 30, 2019	24,667	24,687	(20)	178,185	13.85%
June 30, 2020	24,665	24,946	(281)	160,721	15.52%

Notes to Schedule:

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

Town of Glenmora

Schedule of Compensation Paid to Elected Officials

For the year ended June 30, 2021

Joseph Mott	\$ 21,600
Thomas Doyle	37,332
Joseph Rivers	4,200
Glynn Dixon	4,200
Brian Goree	4,200
Willie Moore	4,200
Clyde Myers	<u>4,200</u>
Total Compensation	<u>\$ 79,932</u>

Town of Glenmora

Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer Year Ended June 30, 2021

Agency Head (Mayor)

	Joseph Mott
Compensation	\$ 21,600
Benefits	-
Reimbursements	294
	<u>\$ 21,894</u>

Town of Glenmora

**Justice System Funding Schedule - Collecting / Disbursing Entity as Required by Act 87 of the
2020 Regular Legislative Session
For the Year Ended June 30, 2021**

	First Six Month Period Ended December 31, 2020	Second Six Month Period Ended June 30, 2021
Cash Basis Presentation		
Beginning Balance of Amounts Collected	\$ -	\$ -
Add: Collections		
Criminal Court Costs/Fees	<u>177,534</u>	<u>144,276</u>
Subtotal Collections	<u>177,534</u>	<u>144,276</u>
Less: Disbursements to Governments & Nonprofits		
Criminal Court Cost / Fees		
Louisiana Commission on Law Enforcement	390	388
CMIS Trial Court Case Management System	199	198
Crime Stoppers of Cenla, Inc.	398	396
Louisiana Department of Health and Hospitals	705	690
North Louisiana Crime Lab	660	660
Louisiana Judicial college	100	99
Less: Amounts Retained by Town		
Self Disbursed Court Costs	<u>175,082</u>	<u>141,845</u>
Subtotal Disbursements / Retainage	<u>177,534</u>	<u>144,276</u>
Ending Balance of Amounts Collected but not Disbursed	<u>\$ -</u>	<u>\$ -</u>
Other Information:		
Total Waivers During the Fiscal Period	3,713	6,306

TOWN OF GLENMORA

Summary of Findings and Responses

June 30, 2021

PART I - SUMMARY OF AUDITOR'S RESULTS

- The Independent Auditor's Report on the financial statements for the Town of Glenmora as of June 30, 2021 and for the year then ended expressed a qualified opinion.
- Significant internal control deficiencies were reported, see Part II for details.
- Noncompliance material to the financial statements was reported, see Part II for details.

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

2021-001: Economic Development Loans

- Criteria: The Town has an Economic Development Fund that has been used in the past to provide loans to business enterprises.
- Condition: Records related to the grant proceeds that were used to establish the Economic Development Fund cannot be located.
- Cause: Due to the absence of records documenting the grant terms, management cannot evaluate compliance with the provision of the original grant agreement.
- Effect: Due to the absence of records, as discussed in Noted 15, the report is being qualified with respect to the Economic Development Fund.
- Recommendation: Accordingly, we suggest contacting the grantor to request instructions on the disposition of the fund's remaining assets.

2021-002: Non Compliance with Bond Covenants

- Criteria: In exchange for fees, the Town provides residents with utility service including water and sewage disposal.
- Condition: Operation of the utility system has not produced sufficient income to recover the costs of operations and service debt incurred to construct the utility system.
- Cause: We increased rates in the latter portion of the current year. In addition, due to the age of the utility system, repair and maintenance costs have been significant.
- Effect: Without an adequate rate structure, the Town is not in compliance with debt covenants.
- Recommendation: In order to provide income necessary to sustain operations and repay creditors, we suggest altering the Town's utility rate structure to provide additional revenue needed to meet the utility system's obligations.

2021-003: Budget Violation

- Criteria: Louisiana Revised Statutes prohibit municipalities expenditures and other uses from being more than 5% of budgeted amounts.
- Condition: In the current year, unfavorable variances of expenditures exceeded 5%.
- Cause: The Town didn't make sufficient amendments to the budget once the Town of Boyce realized that unfavorable variances exceeded 5% of budgeted amounts.
- Effect: The Town was not in compliance with the Louisiana Government Budget Act.
- Recommendation: The Town of Boyce should implement policies and procedures to ensure that the budget is amended whenever variances exceed amounts allowed by the Louisiana Government Budget Act.

TOWN OF GLENMORA

Management's Corrective Action Plan

June 30, 2021

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.	
<u>FINDINGS</u>	<u>RESPONSE</u>
<p><u>2021-001: Economic Development Loans</u> The Town has an Economic Development Fund that has been used in the past to provide loans to business enterprises. Records related to the grant proceeds that were used to establish the Economic Development Fund cannot be located. Due to the absence of records documenting the grant terms, management cannot evaluate compliance with the provision of the original grant agreement.</p> <p><u>2021-002: Non Compliance with Bond Covenants</u> In exchange for fees, the Town provides residents with utility service including water and sewage disposal. Operation of the utility system has not produced sufficient income to recover the costs of operations and service debt incurred to construct the utility system.</p> <p><u>2021-003: Budget Violation</u> The Town's General Fund expenditures exceeded budgeted appropriations by more than the variances allowed by law. This variance occurred due to management failing to properly budget salaries, related expenses, and other various operating expenditures. Management should review the budget to actual expenditures each month and amend the budget when actual expenditures exceed budgeted expenditures by more than 5%. This will allow management to closely monitor the Town's expenditures and reduce the risk of purchases that were not properly authorized.</p>	<p><u>2021-001: Response</u> Since there is no further need for the Economic Development Loan program, we have attempted to contact the original grantor and request approval for an alternative use of the remaining funds.</p> <p><u>2021-002: Response</u> There has been substantial improvement in our utility revenues. We have cut costs and will continue to review the possibility of a utility rate increase. In addition, we increased rates in the latter portion of the current year.</p> <p><u>2021-003: Response</u> We will retain all records in accordance with the Town's retention schedule and in accordance with Louisiana Law.</p>

SECTION III MANAGEMENT LETTER	
<u>FINDINGS</u>	<u>RESPONSE</u>
<p>No Findings of this nature were reported.</p>	<p>No response necessary</p>

TOWN OF GLENMORA

Summary of Prior Year Findings

June 30, 2021

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.	
<u>FINDINGS</u>	<u>RESPONSE</u>
<p><u>2020-001: Economic Development Loans</u> The Town has an Economic Development Fund that has been used in the past to provide loans to business enterprises. Records related to the grant proceeds that were used to establish the Economic Development Fund cannot be located. Due to the absence of records documenting the grant terms, management cannot evaluate compliance with the provision of the original grant agreement.</p>	<p><u>Unresolved:</u> See Finding 2021-001.</p>
<p><u>2020-002: Non Compliance with Bond Covenants</u> In exchange for fees, the Town provides residents with utility service including water and sewage disposal. Operation of the utility system has not produced sufficient income to recover the costs of operations and service debt incurred to construct the utility system.</p>	<p><u>Unresolved:</u> See Finding 2021-002</p>

SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
<u>FINDINGS</u>	<u>RESPONSE</u>
<p><u>No Findings of this nature.</u></p>	<p><u>No response necessary</u></p>

SECTION III MANAGEMENT LETTER	
<u>FINDINGS</u>	<u>RESPONSE</u>
<p><u>No Findings of this nature.</u></p>	<p><u>No response necessary</u></p>