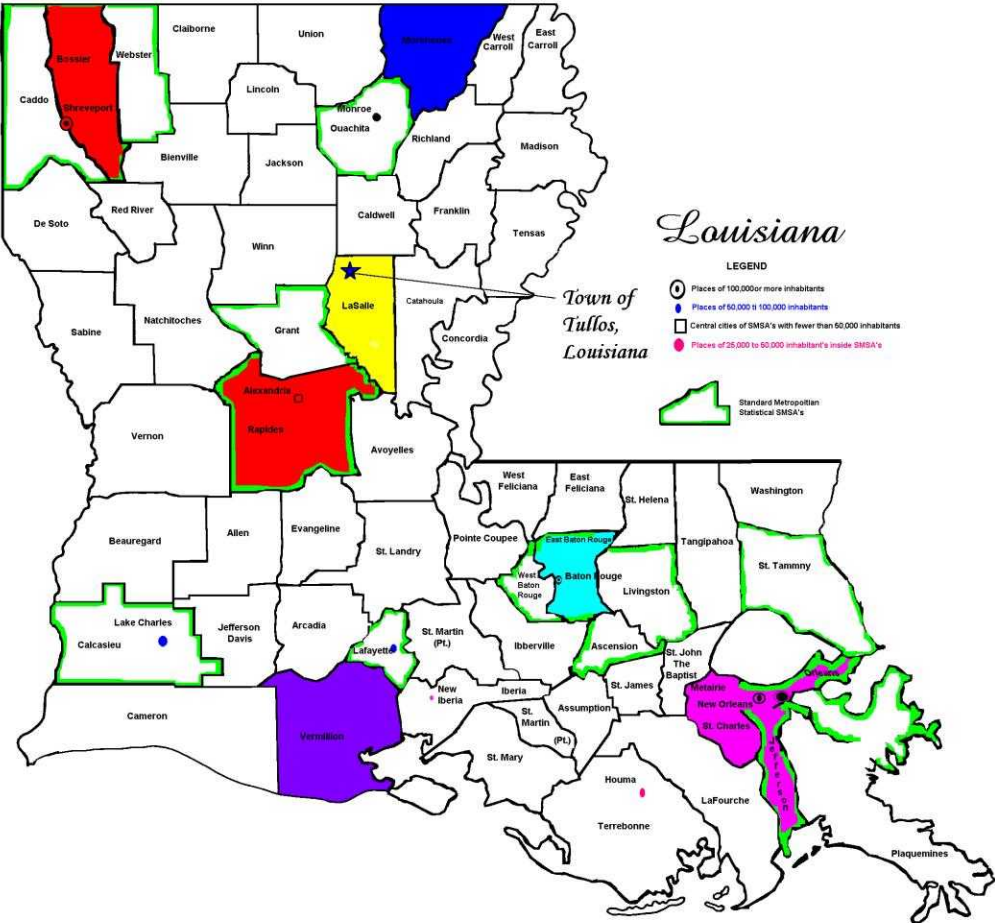


**TOWN OF TULLOS, LOUISIANA**

**Annual Financial Statements**

**June 30, 2021**

# TOWN OF TULLOS, LOUISIANA



✓ The Town of Tullos was incorporated under the Lawrason Act, and operates under the Mayor-Board of Alderman form of government. The Town provides the following significant services to its residents as provided by its charter: public safety (police and fire), highways and streets, utilities (water and sewer services) and general administrative functions, including coordination of related services with parish, state and federal governing bodies.

**TOWN OF TULLOS, LOUISIANA**  
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**June 30, 2021**

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### MEMBERS

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Certified Public Accountants

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Certified Public Accountants

Association of  
Certified Fraud Examiners

### **INDEPENDENT AUDITOR'S REPORT**

Honorable Karla Cockerham, Mayor  
Town of Tullos  
PO Box 749  
Tullos, LA 71479

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

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

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

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

#### **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 and business-type activities of the Town of Tullus, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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.

### *Supplemental Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Tullus's basic financial statements. The Schedule of Compensation Benefits and Other Payments to Agency Head or Chief Executive Officer and Justice System Funding Schedule are presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Compensation of Benefits and Other Payments to Agency Head or Chief Executive Officer and Justice System Funding Schedule are the responsibility of management and was 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 Schedule of Compensation Benefits and Other Payments to Agency Head or Chief Executive Officer and Justice System Funding Schedule 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 December 20, 2021, on our consideration of the Town of Tullos'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 Tullos's internal control over financial reporting and compliance.

### *The Vercher Group*

Jena, Louisiana  
December 20, 2021

# Town of Tullos

PO Box 749  
Tullos, Louisiana 71479  
Tel: (318) 534-6499

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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As management of the Town, we offer readers of the Town of Tullos's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the Town's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999.

### FINANCIAL HIGHLIGHTS

#### *Governmental Funds*

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$996,323 (*net position*). This is a \$108,035 increase from last year.
- The Town had total revenue of \$550,641 in which \$419,577 came from fines. This is a \$13,261 increase from last year's revenues, mainly due to an increase in other revenue in the amount of \$24,839.
- The Town had total expenditures of \$419,523, which is an \$17,860 decrease from last years. This decrease is due mainly to a decrease in operations expense in the amount of \$18,429.

#### *Enterprise Funds*

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$1,760,749 (*net position*). This is a \$264,387 decrease from last year.
- The Town had total revenue of \$359,658, all of which is operating revenues. This is a \$53,933 increase from last year. This increase is due mainly to an increase in other revenue in the amount of \$34,092.
- The Town had total expenses of \$499,137. This is a \$148,876 increase from last year. An increase in the cost of sales and services in the amount of \$106,172 is the main cause of this increase.

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## MD&A

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### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements consist of two components: 1) fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The Town is a special-purpose entity engaged only in governmental activities. Accordingly, only fund financial statements are presented as the basic financial statements.

### FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### USING THIS ANNUAL REPORT

The Town's annual report consists of financial statements that show information about the Town's funds, enterprise funds and governmental funds.

Our accountant has provided assurance in his independent accountant's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the accountant regarding the other information included in this report. A user of this report should read the independent accountant's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

### REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

The Town's financial statements provide detailed information about the most significant funds. The Town may establish other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other money. The Town's enterprise fund uses the following accounting approach:

All of the Town's services are reported in an enterprise fund. They are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The focus of proprietary funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.



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## MD&A

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### GOVERNMENTAL FUNDS

#### **Comparative Statement of Net Position**

The following table represents a Comparative Statement of Net Position as of June 30, 2021:

	<u>2020</u>	<u>2021</u>	<u>% Change</u>
<b>ASSETS</b>			
Cash & Investments	\$ 228,351	\$ 328,251	43.8
Receivables	45,462	52,950	16.5
Restricted Assets	-0-	-0-	0.0
Capital Assets, Net of Accumulated Depreciation	641,497	618,581	-3.6
<b>TOTAL ASSETS</b>	<u>915,310</u>	<u>999,782</u>	9.2
<b>LIABILITIES &amp; NET POSITION</b>			
Accounts, Salaries, & Other Payables	12,705	3,459	-72.8
Notes Payable – Current	14,317	-0-	-100.0
Notes Payable – Non Current	-0-	-0-	0.0
<b>TOTAL LIABILITIES</b>	<u>27,022</u>	<u>3,459</u>	-87.2
<b>NET POSITION</b>			
Net Investment in Capital Assets	627,180	618,581	-1.4
Restricted	3,778	1,512	-60.0
Unrestricted	257,330	376,230	46.2
<b>TOTAL NET POSITION</b>	<u>\$ 888,288</u>	<u>\$ 996,323</u>	12.2

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## MD&A

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### GOVERNMENTAL FUNDS

#### Comparative Changes in Fund Balances

The following table reflects the Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances for the year ended June 30, 2021:

	<u>2020</u>	<u>2021</u>	<u>% Change</u>
<b>REVENUES</b>			
Fees & Charges	\$ 60,801	\$ 47,116	-22.5
Taxes	15,718	27,019	71.9
Fines	431,411	419,577	-2.7
Intergovernmental – Capital Grants	15,560	18,200	17.0
Other	13,890	38,729	178.8
<b>TOTAL REVENUES</b>	<u>537,380</u>	<u>550,641</u>	2.5
<b>EXPENDITURES</b>			
Administrative	45,150	54,527	20.8
Operations	163,165	144,736	-11.3
Police Expense	188,389	180,094	-4.4
Capital Outlay	23,678	28,832	21.8
Debt Service	17,001	11,334	-33.3
<b>TOTAL EXPENDITURES</b>	<u>437,383</u>	<u>419,523</u>	-4.1
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>99,997</u>	<u>131,118</u>	31.1
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In (Out)	<u>(7,089)</u>	<u>(14,484)</u>	104.3
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(7,089)</u>	<u>(14,484)</u>	104.3
<b>NET CHANGE IN FUND BALANCE</b>	92,908	116,634	25.5
<b>FUND BALANCES--BEGINNING</b>	<u>168,200</u>	<u>261,108</u>	55.2
<b>FUND BALANCES--ENDING</b>	<u>\$ 261,108</u>	<u>\$ 377,742</u>	44.7

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## MD&A

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### ENTERPRISE FUND

#### **Comparative Statement of Net Position**

The following table represents a Comparative Statement of Net Position as of June 30, 2021:

	<u>2020</u>	<u>2021</u>	<u>% Change</u>
<b>ASSETS</b>			
Cash	\$ 144,668	\$ 100,461	-30.6
Receivables	35,231	49,827	41.4
Restricted Assets	35,231	57,408	62.9
Capital Assets, Net of Accumulated Depreciation	<u>2,284,946</u>	<u>2,179,800</u>	-4.6
<b>TOTAL ASSETS</b>	<u><u>2,500,076</u></u>	<u><u>2,387,496</u></u>	-4.5
<b>LIABILITIES AND NET POSITION</b>			
Accounts, Salaries, & Other Payables	94,959	247,791	160.9
Customer Deposits	24,655	23,630	-4.2
URAF Funding	<u>355,326</u>	<u>355,326</u>	0.0
<b>TOTAL LIABILITIES</b>	<u><u>474,940</u></u>	<u><u>626,747</u></u>	32.0
<b>NET POSITION</b>			
Net Investment in Capital Assets	1,904,965	1,824,474	-4.2
Restricted	-0-	-0-	0.0
Unrestricted	<u>120,171</u>	<u>(63,725)</u>	-153.0
<b>TOTAL NET POSITION</b>	<u><u>\$ 2,025,136</u></u>	<u><u>\$ 1,760,749</u></u>	-13.1

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## MD&A

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### ENTERPRISE FUND

#### Comparative Changes in Net Position

The following table reflects the Comparative Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2021:

	<u>2020</u>	<u>2021</u>	<u>% Change</u>
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 298,295	\$ 318,136	6.7
Other	7,430	41,522	458.8
<b>TOTAL OPERATING REVENUES</b>	<u>305,725</u>	<u>359,658</u>	17.6
<b>OPERATING EXPENSES</b>			
Cost of Sales & Services	161,692	267,864	65.7
Administration	84,300	126,127	61.5
Depreciation	104,269	105,146	0.8
<b>TOTAL OPERATING EXPENSES</b>	<u>350,261</u>	<u>499,137</u>	42.5
<b>OPERATING INCOME (LOSS)</b>	<u>(44,536)</u>	<u>(139,479)</u>	213.2
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest Earnings	-0-	-0-	0.0
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<u>-0-</u>	<u>-0-</u>	0.0
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS &amp; TRANSFERS</b>	<u>(44,536)</u>	<u>(139,479)</u>	213.2
Transfers In/(Out)	7,089	14,484	104.3
Capital Contributions	25,000	-0-	-100.0
<b>CHANGE IN NET POSITION</b>	<u>(12,447)</u>	<u>(124,995)</u>	904.2
<b>PRIOR PERIOD ADJUSTMENT</b>	-0-	(139,392)	100.0
<b>TOTAL NET POSITION – BEGINNING</b>	<u>2,037,583</u>	<u>2,025,136</u>	-0.6
<b>TOTAL NET POSITION – ENDING</b>	<u>\$ 2,025,136</u>	<u>\$ 1,760,749</u>	-13.1

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## MD&A

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### CAPITAL ASSETS & LONG-TERM DEBT

#### *Capital Assets – Governmental Fund*

At June 30, 2021, the Town had \$618,581 invested in capital assets, including the following:

#### Capital Assets at Year-End

	2020	2021
Buildings	\$ 470,634	\$ 491,467
Machinery & Equipment	956,826	964,825
Accumulated Depreciation	(785,963)	(837,711)
<b>Total</b>	<b>\$ 641,497</b>	<b>\$ 618,581</b>

#### *Capital Assets – Enterprise Fund*

At June 30, 2021, the Town had \$2,179,800 invested in capital assets, including the following:

#### Capital Assets at Year-End

	2020	2021
Water Assets *	\$ 3,225,252	\$ 3,225,252
Sewer Assets	1,422,958	1,422,958
Accumulated Depreciation	(2,363,264)	(2,468,410)
<b>Total</b>	<b>\$ 2,284,946</b>	<b>\$ 2,179,800</b>

\* Included in this amount is land in the amount of \$8,429, which is not being depreciated.

#### *Long-Term Obligations (Governmental Funds)*

The following is a summary of the long-term obligation transactions for the year ended June 30, 2021:

New Fire Truck	
Balance 06/30/2020	\$ 11,104
Additions	-0-
Deductions	(11,104)
Balance 06/30/2021	\$ -0-

### CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Karla Cockerham, Mayor, at the Town of Tullos, phone (318) 534-6499.

## **BASIC FINANCIAL STATEMENTS**

**TOWN OF TULLOS, LOUISIANA**  
**Statement of Net Position**  
**June 30, 2021**

	<b>PRIMARY GOVERNMENT</b>		
	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS- TYPE ACTIVITIES</b>	<b>TOTAL</b>
<b>CURRENT ASSETS</b>			
Cash	\$ 328,251	\$ 100,461	\$ 428,712
Receivables (Net of Allowances for Uncollectible)	52,950	49,827	102,777
<b>TOTAL CURRENT ASSETS</b>	<u>381,201</u>	<u>150,288</u>	<u>531,489</u>
<b>NON-CURRENT ASSETS</b>			
Restricted Assets	-0-	57,408	57,408
Capital Assets (Net of Accumulated Depreciation)	618,581	2,179,800	2,798,381
<b>TOTAL NON-CURRENT ASSETS</b>	<u>618,581</u>	<u>2,237,208</u>	<u>2,855,789</u>
<b>TOTAL ASSETS</b>	<u>999,782</u>	<u>2,387,496</u>	<u>3,387,278</u>
<b>CURRENT LIABILITIES</b>			
Accounts, Salaries, & Other Payables	3,459	247,791	251,250
<b>TOTAL CURRENT LIABILITIES</b>	<u>3,459</u>	<u>247,791</u>	<u>251,250</u>
<b>NON-CURRENT LIABILITIES</b>			
Customer Deposits	-0-	23,630	23,630
URAF Funding	-0-	355,326	355,326
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>-0-</u>	<u>378,956</u>	<u>378,956</u>
<b>TOTAL LIABILITIES</b>	<u>3,459</u>	<u>626,747</u>	<u>630,206</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	618,581	1,824,474	2,443,055
Restricted	1,512	-0-	1,512
Unrestricted	376,230	(63,725)	312,505
<b>TOTAL NET POSITION</b>	<u>\$ 996,323</u>	<u>\$ 1,760,749</u>	<u>\$ 2,757,072</u>

The accompanying notes are an integral part of this statement.

**TOWN OF TULLOS, LOUISIANA**  
**Statement of Activities**  
**For the Year Ended June 30, 2021**

	PROGRAM REVENUES				NET REVENUES (EXPENSES) & CHANGES OF PRIMARY GOVERNMENT		
	Expenses	Charges for Services	Capital Grants & Contributions	Net (Expenses) Revenue	Governmental Activities	Business Type Activities	Total
<b>GOVERNMENTAL ACTIVITIES</b>							
General Government	\$ (214,124)	\$ 25,589	\$ 18,200	\$ (170,335)	\$ (170,335)		\$ (170,335)
Public Safety:							
Fire	(21,191)	21,527	-0-	336	336		336
Police	(195,789)	-0-	-0-	(195,789)	(195,789)		(195,789)
Interest on Long-Term Debt	(231)	-0-	-0-	(231)	(231)		(231)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	(431,335)	47,116	18,200	(366,019)	(366,019)		(366,019)
<b>BUSINESS TYPE ACTIVITIES</b>							
Water	(314,017)	245,740	-0-	(68,277)		\$ (68,277)	(68,277)
Sewer	(185,120)	72,396	-0-	(112,724)		(112,724)	(112,724)
<b>TOTAL BUSINESS TYPE ACTIVITIES</b>	(499,137)	318,136	-0-	(181,001)		(181,001)	(181,001)
<b>TOTAL PRIMARY GOVERNMENT</b>	\$ (930,472)	\$ 365,252	\$ 18,200	\$ (547,020)			(547,020)
			<b>GENERAL REVENUES</b>				
			Ad Valorem Taxes		17,199	-0-	17,199
			Franchise Taxes		8,481	-0-	8,481
			Other Taxes		1,339	-0-	1,339
			Fines & Forfeitures		419,577	-0-	419,577
			Other General Revenues		38,543	41,522	80,065
			Interest Income		186	-0-	186
			Transfers In (Out)		(14,484)	14,484	-0-
			<b>TOTAL GENERAL REVENUES</b>		470,841	56,006	526,847
			<b>CHANGE IN NET POSITION</b>		104,822	(124,995)	(20,173)
			<b>PRIOR PERIOD ADJUSTMENT</b>		3,213	(139,392)	(136,179)
			<b>NET POSITION - BEGINNING</b>		888,288	2,025,136	2,913,424
			<b>NET POSITION - ENDING</b>		\$ 996,323	\$ 1,760,749	\$ 2,757,072

The accompanying notes are an integral part of this statement.



**TOWN OF TULLOS, LOUISIANA**  
**Balance Sheet, Governmental Funds**  
**June 30, 2021**

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FIRE FUND</u>	<u>TOTAL</u>
<b>ASSETS</b>			
Cash & Cash Equivalents	\$ 326,739	\$ 1,512	\$ 328,251
Receivables (Net of Allowances For Uncollectable)	44,515	8,435	52,950
<b>TOTAL ASSETS</b>	<u>371,254</u>	<u>9,947</u>	<u>381,201</u>
<b>LIABILITIES</b>			
Accounts, Salaries, and Other Payables	3,459	-0-	3,459
<b>TOTAL LIABILITIES</b>	<u>3,459</u>	<u>-0-</u>	<u>3,459</u>
<b>FUND BALANCES</b>			
Restricted	-0-	9,947	9,947
Unassigned	367,795	-0-	367,795
<b>TOTAL FUND BALANCES</b>	<u>367,795</u>	<u>9,947</u>	<u>377,742</u>
<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<u>\$ 371,254</u>	<u>\$ 9,947</u>	<u>\$ 381,201</u>

The accompanying notes are an integral part of this statement.

**TOWN OF TULLOS, LOUISIANA**  
**Reconciliation of the Government Funds Balance Sheet**  
**to the Government-Wide Financial Statement of Net Position**  
**June 30, 2021**

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

Fund Balance, Total Governmental Funds (Statement C)		\$ 377,742
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Governmental Capital Assets	\$ 1,456,292	
Less Accumulated Depreciation	<u>(837,711)</u>	
		618,581
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
		<u>-0-</u>
Net Position of Governmental Activities (Statement A)		<u>\$ 996,323</u>

The accompanying notes are an integral part of this statement.

**TOWN OF TULLOS, LOUISIANA**  
**Statement of Revenues, Expenditures &**  
**Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2021**

	<u>GENERAL</u>	<u>SPECIAL REVENUE FIRE FUND</u>	<u>TOTAL</u>
<b>REVENUES</b>			
Fees & Charges	\$ 25,589	\$ 21,527	\$ 47,116
Ad Valorem Taxes	17,199	-0-	17,199
Franchise Tax	8,481	-0-	8,481
Other Tax	1,339	-0-	1,339
Fines	419,577	-0-	419,577
Intergovernmental – Capital Grants	18,200	-0-	18,200
Interest Income	186	-0-	186
Other	37,543	1,000	38,543
<b>TOTAL REVENUES</b>	<u>528,114</u>	<u>22,527</u>	<u>550,641</u>
<b>EXPENDITURES</b>			
Administrative	54,527	-0-	54,527
Operations	132,275	12,461	144,736
Police Expense	180,094	-0-	180,094
Capital Outlay	28,832	-0-	28,832
Debt Service	-0-	11,334	11,334
<b>TOTAL EXPENDITURES</b>	<u>395,728</u>	<u>23,795</u>	<u>419,523</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>132,386</u>	<u>(1,268)</u>	<u>131,118</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In (Out)	<u>(17,185)</u>	<u>2,701</u>	<u>(14,484)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(17,185)</u>	<u>2,701</u>	<u>(14,484)</u>
<b>NET CHANGE IN FUND BALANCE</b>	115,201	1,433	116,634
<b>FUND BALANCES--BEGINNING</b>	<u>252,594</u>	<u>8,514</u>	<u>261,108</u>
<b>FUND BALANCES--ENDING</b>	<u>\$ 367,795</u>	<u>\$ 9,947</u>	<u>\$ 377,742</u>

The accompanying notes are an integral part of this statement.

**TOWN OF TULLOS, LOUISIANA**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**& Changes in Fund Balances of Governmental Funds**  
**To the Statement of Activities**  
**For the Year Ended June 30, 2021**

Net Change in Fund Balances, Total Governmental Funds, Statement E		\$ 116,634
<p>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.</p>		
	Capital Outlays	\$ 28,832
	Depreciation Expense	<u>(51,748)</u>
		(22,916)
<p>The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
	Principal Paid	\$ 11,104
	Additions to Interest	<u>-0-</u>
		11,104
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
		<u>-0-</u>
Changes in Net Position of Governmental Activities, Statement B		\$ <u>104,822</u>

The accompanying notes are an integral part of this statement.

**TOWN OF TULLOS, LOUISIANA**  
**Statement of Net Position, Proprietary Funds**  
**June 30, 2021**

	<b>BUSINESS-TYPE ACTIVITIES</b>		
	<b>ENTERPRISE FUND</b>		
	<b>(MAJOR ENTERPRISE FUND)</b>		
	<b>SEWER</b>	<b>WATER</b>	<b>TOTAL</b>
<b>CURRENT ASSETS</b>			
Cash & Cash Equivalents	\$ 21,504	\$ 78,957	\$ 100,461
Receivables (Net of Allowances for Uncollectible)	19,094	30,733	49,827
<b>TOTAL CURRENT ASSETS</b>	<u>40,598</u>	<u>109,690</u>	<u>150,288</u>
<b>NON-CURRENT ASSETS</b>			
Restricted Assets	-0-	57,408	57,408
Capital Assets (Net of Accumulated Depreciation)	748,930	1,430,870	2,179,800
<b>TOTAL NON-CURRENT ASSETS</b>	<u>748,930</u>	<u>1,488,278</u>	<u>2,237,208</u>
<b>TOTAL ASSETS</b>	<u>789,528</u>	<u>1,597,968</u>	<u>2,387,496</u>
<b>CURRENT LIABILITIES</b>			
Accounts, Salaries, & Other Payables	9,948	237,843	247,791
<b>TOTAL CURRENT LIABILITIES</b>	<u>9,948</u>	<u>237,843</u>	<u>247,791</u>
<b>NON-CURRENT LIABILITIES</b>			
Customer Deposits	-0-	23,630	23,630
URAF Funding	177,663	177,663	355,326
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>177,663</u>	<u>201,293</u>	<u>378,956</u>
<b>TOTAL LIABILITIES</b>	<u>187,611</u>	<u>439,136</u>	<u>626,747</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	571,267	1,253,207	1,824,474
Restricted	-0-	-0-	-0-
Unrestricted	30,650	(94,375)	(63,725)
<b>TOTAL NET POSITION</b>	<u>\$ 601,917</u>	<u>\$ 1,158,832</u>	<u>\$ 1,760,749</u>

The accompanying notes are an integral part of this statement.

**TOWN OF TULLOS, LOUISIANA**  
**Statement of Revenues, Expenses & Changes in Net Position**  
**Proprietary Funds**  
**June 30, 2021**

	<b>BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUND (MAJOR ENTERPRISE FUND)</b>		
	<b>SEWER</b>	<b>WATER</b>	<b>TOTAL</b>
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 72,396	\$ 245,740	\$ 318,136
Other	3,784	37,738	41,522
<b>TOTAL OPERATING REVENUES</b>	<u>76,180</u>	<u>283,478</u>	<u>359,658</u>
<b>OPERATING EXPENSES</b>			
Cost of Sales & Services	102,579	165,285	267,864
Administration	48,627	77,500	126,127
Depreciation	33,914	71,232	105,146
<b>TOTAL OPERATING EXPENSES</b>	<u>185,120</u>	<u>314,017</u>	<u>499,137</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(108,940)</u>	<u>(30,539)</u>	<u>(139,479)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest Earnings	-0-	-0-	-0-
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS &amp; TRANSFERS</b>	(108,940)	(30,539)	(139,479)
Transfers In/(Out)	87,422	(72,938)	14,484
Capital Contributions	-0-	-0-	-0-
<b>CHANGE IN NET POSITION</b>	(21,518)	(103,477)	(124,995)
<b>PRIOR PERIOD ADJUSTMENT</b>	-0-	(139,392)	(139,392)
<b>TOTAL NET POSITION – BEGINNING</b>	623,435	1,401,701	2,025,136
<b>TOTAL NET POSITION – ENDING</b>	<u>\$ 601,917</u>	<u>\$ 1,158,832</u>	<u>\$ 1,760,749</u>

The accompanying notes are an integral part of this statement.

**TOWN OF TULLOS, LOUISIANA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**June 30, 2021**

	<b>BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUND</b>		
	<b>(MAJOR ENTERPRISE FUND)</b>		
	<b>SEWER</b>	<b>WATER</b>	<b>TOTAL</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers & Users	\$ 74,593	\$ 269,444	\$ 344,037
Payments to Employees	(48,627)	(77,500)	(126,127)
Payments to Suppliers	(92,714)	(161,710)	(254,424)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>(66,748)</u>	<u>30,234</u>	<u>(36,514)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers In (Out)	87,422	(72,938)	14,484
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<u>87,422</u>	<u>(72,938)</u>	<u>14,484</u>
<b>CASH FLOWS FROM CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>			
Contributions & Grants	-0-	-0-	-0-
Construction of Capital Assets	-0-	-0-	-0-
<b>NET CASH PROVIDED (USED) BY CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of Investments & Restricted Funds	-0-	(22,177)	(22,177)
Interest & Dividends Received	-0-	-0-	-0-
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>-0-</u>	<u>(22,177)</u>	<u>(22,177)</u>
<b>NET INCREASE (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	20,674	(64,881)	(44,207)
<b>CASH &amp; CASH EQUIVALENTS, BEGINNING OF YEAR</b>	830	143,838	144,668
<b>CASH &amp; CASH EQUIVALENTS, END OF YEAR</b>	<u>21,504</u>	<u>78,957</u>	<u>100,461</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating Income (Loss)	(108,940)	(30,539)	(139,479)
Depreciation Expense	33,914	71,232	105,146
(Increase) Decrease in Accounts Receivable	(1,587)	(13,009)	(14,596)
Increase (Decrease) in Accounts Payables	9,865	3,575	13,440
Increase (Decrease) Customer Deposits	-0-	(1,025)	(1,025)
<b>TOTAL ADJUSTMENTS</b>	<u>42,192</u>	<u>60,773</u>	<u>102,965</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ (66,748)</u>	<u>\$ 30,234</u>	<u>\$ (36,514)</u>

The accompanying notes are an integral part of this statement.

**NOTES  
TO THE BASIC  
FINANCIAL STATEMENTS**



## TOWN OF TULLOS, LOUISIANA

### NOTES TO THE BASIC FINANCIAL STATEMENTS

#### **(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Town of Tullos was incorporated under the provisions of the Lawrason Act. The Town operates under the Mayor-Board of Alderman form of government. The Town provides the following significant services to its residents as provided by its charter: public safety (police and fire), highways and streets, utilities (water, gas and sewer services), and general administrative functions, including coordination of related services with parish, state, and federal governing bodies.

The accounting and reporting policies of the Town of Tullos conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

#### **A. GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) report information on all of the nonfiduciary activities of the primary government and its component units. 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments 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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

## TOWN OF TULLOS, LOUISIANA

### NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

#### **B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, & 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 and fiduciary 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 fiscal 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 fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal 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 and expenditures of the general government, except those required to be accounted for in another fund.
- The Special Revenue Fund is used to account for all financial resources and expenditures of the Town's Fire Department.

The municipality reports the following major proprietary funds:

- Enterprise Fund
  - Water Activities
  - Sewer Activities

## TOWN OF TULLOS, LOUISIANA

### NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

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, including special assessments. 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. The principal operating revenues are charges for services and sales taxes. 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.

The Town has a policy of applying expenses to restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

#### C. EQUITY CLASSIFICATIONS

In the government-wide financial statements, equity is classified as Net Position and displayed in three components as applicable. The components are as follows:

Net Investment in Capital Assets - Capital assets including restricted capital assets, when applicable, net of accumulated depreciation.

Restricted Net Position - Net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets".

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies restricted resources first. The policy concerning which to apply first varies with the intended use and legal requirements. The decision is typically made by management at the incurrence of the expense.

## TOWN OF TULLOS, LOUISIANA

### NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

In the Fund Financial Statements, governmental fund equity is classified as a fund balance. The District has implemented 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 the purposes for which resources can be used:

- a. Nonspendable fund balance – amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. 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;
- c. 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;
- d. 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;
- e. Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

#### **D. CASH & CASH EQUIVALENTS**

The Town’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 investments policy allow the municipality to invest in collateralized certificate of deposits, government-backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities.

#### **E. RECEIVABLES & PAYABLES**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal 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”.

**TOWN OF TULLOS, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**F. AD VALOREM TAXES**

The entity levies taxes on real and business personal property located within its boundaries. The entity utilizes the services of the LaSalle Parish Tax Assessor to assess the property values and prepare the entity's property tax roll. The entity bills and collects its own property taxes.

**Property Tax Calendar**

<b>Property Tax Calendar</b>	
Assessment Date	January 1
Levy Date	No Later Than June 1
Tax Bills Mailed	On or About October 15
Total Taxes Are Due	December 31
Penalties and Interest are Added	January 1
Lien Date	January 1

For the year ended June 30, 2021, taxes of 7.97 mills were levied against property having a valuation of some \$1,972,070 which produced some \$15,718 in revenue.

General purposes	7.97 mills
Total taxes levied	\$15,718

**G. INVENTORIES**

Immaterial amounts of inventory are maintained for general fund and enterprise fund operations and, accordingly, these supplies are expensed as purchased.

**H. RESTRICTED ASSETS**

Restricted assets include cash and cash investments in the proprietary funds which are restricted.

- Restricted assets were applicable to the following at June 30, 2021:

	<b>Business</b>	<b>Governmental</b>
Customer Deposits	\$ 29,753	\$ -0-
Sales Tax	27,655	-0-
<b>Total</b>	<b>\$ 57,408</b>	<b>\$ -0-</b>

**TOWN OF TULLOS, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**I. 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 the historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town of Tullos maintains a threshold level of \$500 or more for capitalizing capital assets.

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.

For the year ended June 30, 2021, no interest costs were capitalized for construction of fixed assets.

Depreciation of all exhaustible fixed assets is charged as an expense against its operations. Accumulated depreciation is reported on the proprietary fund balance sheet and governmental fund statement of activities. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

	<u>Life In Years</u>
Water System	20-40
Sewer System	20-40
Buildings & Improvements	15-40
Equipment	5-10
Vehicles	5-7
Furniture & Fixtures	5

**J. COMPENSATED ABSENCES**

The Town has no compensated absence policy.

**K. 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.

## TOWN OF TULLOS, LOUISIANA

### NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

#### L. FUND EQUITY

In the fund equity statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plan that are subject to change.

#### M. USE OF ESTIMATES

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

#### (2) CASH & CASH EQUIVALENTS

##### *Custodial Credit Risk*

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. 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.

Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Entity that the fiscal agent bank has failed to pay deposit funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Entity's name.

##### *Deposits*

It is the Town's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The Town's deposits are categorized to give an indication of the level of risk assumed by the Town at year end. The categories are described as follows:

**TOWN OF TULLOS, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

- **Category 1** – Insured or collateralized with securities held by the Town or by its agent in the Town’s name.
- **Category 2** – Collateralized with securities held by the pledging financial institution’s trust department or agent in the Town’s name.
- **Category 3** – Uncollateralized.

	<b>Southern Heritage</b>	<b>Concordia Bank &amp; Trust</b>	<b>Total</b>
<b>Bank Balances</b>	\$ 366,259	\$ 122,416	\$ 488,675
<i>Secured As Follows</i>			
FDIC ( <i>Category 1</i> )	250,000	122,416	372,416
Securities ( <i>Category 2</i> )	139,457	-0-	139,457
Uncollateralized ( <i>Category 3</i> )	-0-	-0-	-0-
<b>Total</b>	\$ 389,457	\$ 122,416	\$ 511,873

All deposits were secured as of June 30, 2021.

**(3) RECEIVABLES**

The receivables of \$102,777 at June 30, 2021, are as follows:

<b>Class of Receivable</b>		<b>General Fund</b>	<b>Fire Fund</b>	<b>Enterprise Fund</b>		<b>Total</b>
				<b>Water</b>	<b>Sewer</b>	
Fire Fees	\$	-0-	\$ 4,913	\$ -0-	\$ -0-	\$ 4,913
Fines		33,176	-0-	-0-	-0-	33,176
Taxes		-0-	-0-	-0-	-0-	-0-
Accounts		-0-	-0-	30,733	19,094	49,827
Reimbursement/Rebate		11,339	3,522	-0-	-0-	14,861
Allowance for Doubtful Accounts		-0-	-0-	-0-	-0-	-0-
<b>Total</b>	\$	44,515	\$ 8,435	\$ 30,733	\$ 19,094	\$ 102,777

The Town’s policy for bad debt accounting and write-offs is to send a letter to the occupant and owner after the due date. After 60 days, the utility line is sealed close. Reconnection fees must be paid to have service resumed. For deceased accounts, the clerk requests permission from the board to adjust the accounts to close.



**TOWN OF TULLOS, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**(4) TRANSFERS**

<b>Transfers From/To Other Funds</b>	
<b>Transfers In/(Out)</b>	<b>Amount</b>
General	\$ (17,185)
Fire	2,701
Sewer	87,422
Water	(72,938)
<b>Total</b>	<b>\$ -0-</b>

The transfers were made to pay other fund expenses.

**(5) CAPITAL ASSETS**

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

**Governmental Activities**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
Buildings	\$ 470,634	\$ 20,833	\$ -0-	\$ 491,467
Machinery & Equipment	956,826	7,999	-0-	964,825
<b>Total Fixed Assets</b>	<u>1,427,460</u>	<u>28,832</u>	<u>-0-</u>	<u>1,456,292</u>
Less Accumulated Depreciation	(785,963)	(51,748)	-0-	(837,711)
<b>Net Capital Assets</b>	<u>\$ 641,497</u>	<u>\$ (22,916)</u>	<u>\$ -0-</u>	<u>\$ 618,581</u>

**Business-Type Activities**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
Water *	\$ 3,225,252	\$ -0-	\$ -0-	\$ 3,225,252
Sewer	1,422,958	-0-	-0-	1,422,958
<b>Total</b>	<u>4,648,210</u>	<u>-0-</u>	<u>-0-</u>	<u>4,648,210</u>
Water Accumulated Depreciation	(1,723,150)	(71,232)	-0-	(1,794,382)
Sewer Accumulated Depreciation	(640,114)	(33,914)	-0-	(674,028)
<b>Total Accumulated Depreciation</b>	<u>(2,363,264)</u>	<u>(105,146)</u>	<u>-0-</u>	<u>(2,468,410)</u>
<b>Net Capital Assets</b>	<u>\$ 2,284,946</u>	<u>\$ (105,146)</u>	<u>\$ -0-</u>	<u>\$ 2,179,800</u>

\* Included in this amount is land in the amount of \$8,429, which is not being depreciated.

**TOWN OF TULLOS, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**(6) LONG-TERM OBLIGATIONS (GOVERNMENTAL FUNDS)**

The following is a summary of the long-term obligation transactions for the year ended June 30, 2021:

<u>New Fire Truck</u>	
Balance 06/30/2020	\$ 11,104
Additions	-0-
Deductions	(11,104)
Balance 06/30/2021	<u>\$ -0-</u>

**(7) UTILITY RELOCATION ASSISTANCE FUNDING (URAF)**

The Town entered into two separate utility relocation agreements with DOTD (On February 21, 2005, and again on April 19, 2007) to use Utility Relocation Assistance Funding as provided for by state law and Title 70 of the Administrative Code. Pursuant to these agreements, DOTD relocated the Town’s utility lines and invoiced the Town for \$260,861 and \$94,465 (for a total of \$355,326).

Chapter 3 § 301(c) of the Louisiana Administrative Code states that “URAF funding is neither a loan nor a grant and there is no interest charged on this money. However, the utility must repay this money eventually, or it will not be allowed to locate its facilities within highway right-of-way”.

An Investigative Audit by the Legislative Auditor has determined this funding to be a liability.

**(8) RESTRICTED NET POSITION**

- **Special Revenue Fund (Fire Fund)**

- The Town’s special revenue fund had restricted net position of \$1,512 for fire activities.

**(9) SALES TAX**

Town of Tullos passed a 1.5% sales tax on November 16, 2019 that became effective on January 1, 2020. The proceeds of the tax are used to for the purpose of maintaining, operating and supporting the sewer system and waterworks system of the Town and constructing, and acquiring improvements, replacements and extensions for said systems and acquiring, maintaining, operating and replacing equipment, fixtures and accessories for said systems.

**TOWN OF TULLOS, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
(CONTINUED)**

**(10) ELECTED OFFICIALS**

The following is a list of elected officials and their salary for the year ending June 30, 2021:

<u>Name</u>	<u>Title</u>	<u>Annualized Salary</u>
Karla Cockerham	Mayor	\$ 2,400
Scott Cockerham	Police Chief & Dog Catcher	26,225
Kathi Volentine	Council	300
Dustin Jones	Council	300
Mary Catherine Lasiter	Council	300
Tina Murphrey Tullos	Council	300
Sonya Johnson	Council	\$ 300

**(11) CONTINGENCIES**

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a “Public Health Emergency of International Concern” and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Entity operates. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. Therefore, while the Town anticipates this could negatively affect its operating results, the related financial impact and duration cannot be reasonably estimated at this time.

**(12) SUBSEQUENT EVENTS**

Management has evaluated events and transactions subsequent to the Statement of Net Position date though, December 20, 2021, of the independent auditor’s report for potential recognition or disclosure in the financial statements.

## TOWN OF TULLOS, LOUISIANA

### NOTES TO THE BASIC FINANCIAL STATEMENTS (CONTINUED)

#### **(13) UTILITY SYSTEM COMPLIANCE**

The Town of Tullos has been assessed penalties for water system violations by the Louisiana Department of Health in the amounts of \$139,392 and \$91,344.

The Town is not contesting the imposition of penalties, but is instead actively working with the LDH to resolve the underlying water system issues that led to the imposition of penalties, including through obtaining financing from the USDA and actively working toward the construction of a new water filtration system. The Town is actively working toward achieving compliance and resolution of the water system issues. If the Town does not complete the water filtration system, LDH could take steps to actively enforce the outstanding penalty amounts and could impose additional penalties.

The Town is subject to an Administrative Order issued by the United States Environmental Protection Agency for water system violations. The most recent order was issued December 7, 2020, and the Town continues to work with the EPA for resolution of the issues. The Town is actively working to achieve compliance with the EPA's Administrative Order and has continued to seek approval when the original schedule set forth in the order had to be modified. The Town is not contesting the order, but is instead seeking to achieve compliance. If the Town did not achieve compliance, the EPA could impose penalties in the amount of up to \$58,325 per day for each violation. The Town is continually working with the EPA to achieve compliance.

#### **(14) PRIOR PERIOD ADJUSTMENT**

A prior period adjustment in the amount of \$3,213 was made to correct the fire truck lease balance in the general fund. A prior period adjustment in the amount of \$139,392 was made to correct DHH fines payable in the enterprise fund.

**REQUIRED SUPPLEMENTAL INFORMATION**

**TOWN OF TULLOS, LOUISIANA**  
**Statement of Revenues, Expenditures, & Changes in Fund Balance**  
**Budget & Actual**  
**General & Fire Funds**  
**For the Year Ended June 30, 2021**

	BUDGET AMOUNTS		Actual Amounts	VARIANCES FAVORABLE (UNFAVORABLE)
	Original	Final	Budgetary Basis	
<b>REVENUES</b>				
General Fund	\$ 425,000	\$ 440,300	\$ 509,914	\$ 950,214
Fire Fund	21,000	15,000	22,527	7,527
Intergovernmental-Capital Grants	-0-	-0-	18,200	18,200
<b>TOTAL REVENUES</b>	446,000	455,300	550,641	95,341
<b>EXPENDITURES</b>				
General Fund	414,000	451,600	395,728	55,872
Fire Fund	32,000	25,500	23,795	1,705
<b>TOTAL EXPENDITURES</b>	446,000	477,100	419,523	57,577
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-0-	(21,800)	131,118	109,318
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer In/(Out) - General Fund	-0-	-0-	(17,185)	(17,185)
Transfers In/(Out) - Fire Fund	-0-	-0-	2,701	2,701
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-0-	-0-	(14,484)	(14,484)
<b>NET CHANGE IN FUND BALANCE</b>	\$ -0-	\$ (21,800)	116,634	\$ 94,834
<b>FUND BALANCE - BEGINNING</b>			261,108	
<b>FUND BALANCE - ENDING</b>			\$ 377,742	

See independent auditor's report.

**Supplemental Information**

**TOWN OF TULLOS, LOUISIANA**  
**Schedule of Compensation Benefits and Other Payments**  
**to Agency Head or Chief Executive Officer**  
**For the Year Ended June 30, 2021**

Honorable Karla Cockerham, Mayor

Purpose	Amount
Salary	\$ 2,400
Benefits-Insurance	-0-
Benefits-Retirement	-0-
Benefits (Expense Allowance)	-0-
Car Allowance	-0-
Vehicle Provided by Government	-0-
Per Diem	-0-
Reimbursements	65
Travel	-0-
Registration Fees	-0-
Conference Travel	-0-
Continuing Professional Education Fees	-0-
Housing	-0-
Un-vouchered Expenses*	-0-
Special Meals	\$ -0-

\*An example of an un-vouchered expense would be a travel advance.

See independent auditor's report.



**TOWN OF TULLOS, LOUISIANA**  
**Justice System Funding Schedule – Collecting/Disbursing Entity**  
**Year Ended June 30, 2021**

	<b>First Six Months Ended 12/31/2020</b>	<b>Second Six Months Ended 06/30/2021</b>
<b>Beginning Balance of Amounts Collected</b>	\$ -0-	\$ -0-
<b>Add: Collections</b>		
Criminal Court Costs/Fees	20,896	27,659
Criminal Fines – Contempt	36,625	38,450
Criminal Fines – Other	152,379	247,626
<b>Subtotal Collections</b>	209,900	313,735
<b>Less: Disbursements to Governments &amp; Nonprofits</b>		
LA Judicial College	479	473
LA Traumatic Head & Spinal Cord Injury Trust Fund	2,100	2,045
Central LA Juvenile Detention Facility	7,095	7,178
CMIS	946	957
LA Commission on Law Enforcement	1,876	1,854
North Louisiana Criminalistics Laboratory Commission	22,800	22,490
<b>Less: Amounts Retained by Collecting Agency</b>		
Amounts Self-Disbursed Criminal Fines – Other	160,981	258,596
<b>Less: Disbursements to Individuals/3<sup>rd</sup> Party Collection or Processing Agency</b>		
nCourt Processing Agency	5,180	5,222
American Municipal Services	8,443	14,920
<b>Subtotal Disbursements/Retainage</b>	209,900	313,735
<b>Total: Ending Balance of Amounts Collected but not Disbursed/Retained</b>	-0-	-0-
<b>Ending Balance of “Partial Payments” Collected but not Disbursed</b>	-0-	-0-
<b>Other Information:</b>		
<b>Ending Balance of Total Amounts Assessed but not yet Collected</b>	-0-	-0-
<b>Total Waivers During the Fiscal Period</b>	\$ -0-	\$ -0-

See independent auditor’s report.



**Other Reports**

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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 FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Karla Cockerham, Mayor  
Town of Tullos  
PO Box 749  
Tullos, La. 71479

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 and business-type activities of the Town of Tullos, Louisiana, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Tullos's basic financial statements and have issued our report thereon dated December 20, 2021.

#### **Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies (**2021-1 Small Size of Entity**).

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town of Tullos'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 Questioned Costs as item: **2021-2 Noncompliance with Louisiana Department of Health**.

### **The Town of Tullos's Response to Findings**

The Town of Tullos's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The Town of Tullos's response was 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. However, this report is a public document and its distribution is not limited.

*The Vercher Group*

Jena, Louisiana  
December 20, 2021

**TOWN OF TULLOS**  
**TOWN OF TULLOS, LOUISIANA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COST**  
**For the Year Ended June 30, 2021**

We have audited the basic financial statements of the Town of Tullos, Louisiana, as of and for the year ended June 30, 2021, and have issued our report thereon dated December 20, 2021. We conducted our audit in accordance with generally accepted auditing standards and the standards in the United States of America applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Section I - Summary of Auditor's Results**

Our audit of the financial statements as of June 30, 2021, resulted in an unmodified opinion.

**a. Report on Internal Control and Compliance Material to the Financial Statements**

Internal Control

Material Weaknesses  Yes      Significant Deficiencies  Yes

Compliance

Compliance Material to Financial Statements  Yes

**b. Federal Awards (Not Applicable)**

Internal Control

Material Weaknesses  Yes  No      Other Conditions  Yes  No

Type of Opinion on Compliance      Unmodified       Qualified   
 For Major Programs      Disclaimer       Adverse

Are the findings required to be reported in accordance with Uniform Guidance?

Yes  No

**c. Identification Of Major Programs:**

CFDA Number (s)	Name Of Federal Program (or Cluster)

Dollar threshold used to distinguish between Type A and Type B Programs:      \$

Is the auditee a 'low-risk' auditee, as defined by OMB Uniform Guidance?       Yes  No

**TOWN OF TULLOS, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)  
For the Year Ended June 30, 2021**

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**Section II – Financial Statement Findings**

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**2021-1 Small Size of Entity (Internal Control)**

**Condition:** Because of the small size of the Town and the lack of separation of duties of employees, many of the important elements of good internal controls cannot always be achieved to ensure adequate protection of the Town’s cash.

**Criteria:** Important elements of good internal controls often require that the same employee does not handle the functions of accounting, collections, billing, receiving and check writing.

**Cause of Condition:** Small size of entity and lack of employees.

**Effect of Condition:** Significant deficiency in internal controls.

**Recommendation:** We recommend that management continue to provide the necessary oversight in its current internal control procedures, specifically in the areas of cash receipts, collection receipt activities, recordation of those receipts, depositing of funds collected, and review of checks written.

**Client Response:** Management will continue to provide the necessary oversight in its current internal control procedures, specifically in areas of cash receipts, collection receipts activities, recordation of those receipts, depositing of funds collected, and review of checks written.

**2021-2 Noncompliance with Louisiana Department of Health (Compliance)**

**Condition:** The Town is not in Compliance with Louisiana Department of Health for exceeding the maximum contaminant level (MCL) for the locational running annual average for Total Trihalomethanes (TTHMs), for failure to monitor the distribution for TTHMs and HAA5, for failure to submit Operational Evaluation Level (OEL) reports for TTHMs and HAA5, for failure to collect and submit the required number of samples for Lead and Copper Rule (LCR) monitoring, for failure to provide proof of public notifications for TTHMs and HAA5 monitoring and maximum contaminant level exceedances, for failure to have a cross connection control program or ordinance, and for other violations of the Sanitary Code.

**Criteria:** The Municipality should comply with all Louisiana Sanitary Codes required by Louisiana Department of Health.

**Cause of Condition:** Not having available funds to address all Sanitary issues.

**Effect of the Condition:** Compliance violation and civil penalty of \$230,736.

**Recommendation:** The Town should comply with all Louisiana Sanitary Codes required by Louisiana Department of Health.

**TOWN OF TULLOS, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)**

**For the Year Ended June 30, 2021**

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**Section II – Financial Statement Findings**

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**Client Response:** The Town passed a 1.5% sales tax and is currently working with an engineer for plans to implement water system improvements to correct deficiencies with Louisiana Department of Health.

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**Section III Federal Awards Findings and Questioned Costs**

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Not applicable

**TOWN OF TULLOS, LOUISIANA**

**MANAGEMENT'S CORRECTIVE ACTION  
FOR CURRENT YEAR AUDIT FINDINGS**

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**FINDINGS:**

**2021-1 Small Size of Entity**

***Finding:*** Because of the small size of the Town and the lack of separation of duties of employees, many of the important elements of good internal controls cannot always be achieved to ensure adequate protection of the Town's cash. Important elements of good internal controls often require that the same employee does not handle the functions of accounting, collections, billing, receiving and check writing.

***Corrective Action:*** Management will continue to provide the necessary oversight in its current internal control procedures, specifically in areas of cash receipts, collection receipts activities, recordation of those receipts, depositing of funds collected, and review of checks written.

***Contact Person:*** Karla Cockerham, Mayor

***Anticipated Completion Date:*** June 30, 2022

**2021-2 Noncompliance with Louisiana Department of Health**

***Finding:*** The Town is not in Compliance with Louisiana Department of Health for exceeding the maximum contaminant level (MCL) for the locational running annual average for Total Trihalomethanes (TTHMs), for failure to monitor the distribution for TTHMs and HAA5, for failure to submit Operational Evaluation Level (OEL) reports for TTHMs and HAA5, for failure to collect and submit the required number of samples for Lead and Copper Rule (LCR) monitoring, for failure to provide proof of public notifications for TTHMs and HAA5 monitoring and maximum contaminant level exceedances, for failure to have a cross connection control program or ordinance, and for other violations of the Sanitary Code. The Municipality should comply with all Louisiana Sanitary Codes required by Louisiana Department of Health.

***Corrective Action:*** The Town passed a 1.5% sales tax and is currently working with an engineer for plans to implement water system improvements to correct deficiencies with Louisiana Department of Health.

***Contact Person:*** Karla Cockerham, Mayor

***Anticipated Completion Date:*** June 30, 2022



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## **MANAGEMENT LETTER COMMENTS**

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During the course of our review, we observed conditions and circumstances that may be improved. Below are findings noted for improvement, our recommendation for improvement and the Town's plan for corrective action.

### **CURRENT YEAR MANAGEMENT LETTER COMMENTS**

No items to report.

**TOWN OF TULLOS, LOUISIANA**  
**June 30, 2021**

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**MANAGEMENT'S SUMMARY**  
**OF PRIOR YEAR FINDINGS**

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Legislative Auditor  
State of Louisiana  
Baton Rouge, Louisiana 70804-9397

The management of the Town of Tullos, Louisiana has provided the following action summaries relating to audit findings brought to their attention as a result of their financial audit for the year ended June 30, 2020.

**PRIOR YEAR FINDINGS**

**2020-1 Small Size of Entity (Unresolved)**

**Condition:** Because of the small size of the Town and the lack of separation of duties of employees, many of the important elements of good internal controls cannot always be achieved to ensure adequate protection of the Town's cash.

**Criteria:** Important elements of good internal controls often require that the same employee does not handle the functions of accounting, collections, billing, receiving and check writing.

**Cause of Condition:** Small size of entity and lack of employees.

**Effect of Condition:** Significant deficiency in internal controls.

**Recommendation:** We recommend that management continue to provide the necessary oversight in its current internal control procedures, specifically in the areas of cash receipts, collection receipt activities, recordation of those receipts, depositing of funds collected, and review of checks written.

**Client Response and Corrective Action:** Management will continue to provide the necessary oversight in its current internal control procedures, specifically in areas of cash receipts, collection receipts activities, recordation of those receipts, depositing of funds collected, and review of checks written.

**2021-2 Noncompliance with Louisiana Department of Health (Unresolved)**

**Condition:** The Town is not in Compliance with Louisiana Department of Health for exceeding the maximum contaminant level (MCL) for the locational running annual average for Total Trihalomethanes (TTHMs), for failure to monitor the distribution for TTHMs and HAA5, for failure to submit Operational Evaluation Level (OEL) reports for TTHMs and HAA5, for failure to collect and submit the required number of samples for Lead and Copper Rule (LCR) monitoring, for failure to provide proof of public notifications for TTHMs and HAA5 monitoring and maximum contaminant level exceedances, for failure to have a cross connection control program or ordinance, and for other violations of the Sanitary Code.

**TOWN OF TULLOS, LOUISIANA**  
**June 30, 2021**

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**MANAGEMENT'S SUMMARY**  
**OF PRIOR YEAR FINDINGS**

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**PRIOR YEAR FINDINGS (CONTINUED):**

**Criteria:** The Municipality should comply with all Louisiana Sanitary Codes required by Louisiana Department of Health.

**Cause of Condition:** Not having available funds to address all Sanitary issues.

**Effect of the Condition:** Compliance violation and civil penalty of \$91,344.

**Recommendation:** The Town should comply with all Louisiana Sanitary Codes required by Louisiana Department of Health.

**Client Response and Corrective Action:** The Town passed a 1.5% sales tax and is currently working with an engineer for plans to implement water system improvements to correct deficiencies with Louisiana Department of Health.