TOWN OF BUNKIE, LOUISIANA

Financial Report

Year Ended June 30, 2020

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INDEPENDENT AUDITOR'S REPORT

The Honorable Bruce Coulon, Mayor,
and Members of the Board of Aldermen
Town of Bunkie, Louisiana

Report on the Financial Statements

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 Bunkie, Louisiana (the Town), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Bunkie, Louisiana's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 risks assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Bunkie, Louisiana, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedule of changes in total OPEB liability and related ratios, schedules of employer's share of net pension liability, and schedules of employer contributions on pages 62 through 66 be presented to supplement the basic financial statements. Such information, although not 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.

The Town of Bunkie, Louisiana has omitted management's discussion and analysis that, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this omitted information.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued a report dated March 29, 2021, on our consideration of the Town of Bunkie, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Bunkie, Louisiana's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Bunkie, Louisiana's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Alexandria, Louisiana
March 29, 2021

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)

TOWN OF BUNKIE, LOUISIANA

Statement of Net Position
June 30, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	$ 880,052	$ 141,335	$ 1,021,387
Receivables, net	38,917	192,910	231,827
Due from other governmental agencies	127,399	-	127,399
Inventory	-	50,676	50,676
Prepaid items	98,619	5,060	103,679
Restricted assets:			
Cash and cash equivalents	12,653	3,973,502	3,986,155
Capital assets:			
Nondepreciable	536,222	4,801,760	5,337,982
Depreciable, net	7,324,154	10,606,738	17,930,892
Total assets	9,018,016	19,771,981	28,789,997
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	623,075	42,205	665,280
Deferred outflows of resources related to OPEB	195,672	24,184	219,856
Total deferred outflows of resources	818,747	66,389	885,136
LIABILITIES			
Accounts and other payables	87,679	71,629	159,308
Construction and retainage payable	-	214,416	214,416
Customer deposits	-	89,024	89,024
Interest payable	-	77,949	77,949
Long-term liabilities:			
Capital lease obligations due within one year	69,248	-	69,248
Bonds payable due within one year	-	275,000	275,000
Capital lease obligations due in more than one year	275,302	-	275,302
Bonds due in more than one year	-	8,117,578	8,117,578
Net pension liability	1,758,325	141,539	1,899,864
OPEB obligation payable	877,790	108,492	986,282
Total liabilities	3,068,344	9,095,627	12,163,971
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	320,132	3,929	324,061
Deferred inflows of resources related to OPEB	499,230	61,703	560,933
Total deferred inflows of resources	819,362	65,632	884,994
NET POSITION			
Net investment in capital assets	7,515,826	10,496,857	18,012,683
Restricted for:			
Debt service	-	325,592	325,592
Health and welfare	12,653	-	12,653
Streets	209,662	-	209,662
Capital outlay	29,811	-	29,811
Unrestricted net position	(1,818,895)	(145,338)	(1,964,233)
Total net position	$ 5,949,057	$ 10,677,111	$ 16,626,168

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

TOWN OF BUNKIE, LOUISIANA

Statement of Activities
For the Year Ended June 30, 2020

		Program Revenues			Net (Expense) Revenues and Changes in Net Position		
Activities	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Caital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government -							
Finance and administrative	$ 738,855	$ -	$ -	$ -	$ (738,855)	$ -	$ (738,855)
Judicial	65,619	-	-	-	(65,619)	-	(65,619)
Public safety -							
Fire protection	678,119	-	-	-	(678,119)	-	(678,119)
Police protection	581,564	67,740	46,067	-	(467,757)	-	(467,757)
Animal control	15,822	-	-	-	(15,822)	-	(15,822)
Public works -							
Streets	712,200	-	-	-	(712,200)	-	(712,200)
Airport	46,294	15,229	12,264	-	(18,801)	-	(18,801)
Drivers license office	22,954	-	-	-	(22,954)	-	(22,954)
Culture and recreation	111,041	11,050	-	-	(99,991)	-	(99,991)
Health and welfare	3,196	-	-	-	(3,196)	-	(3,196)
Juvenile Justice	44,574	-	-	-	(44,574)	-	(44,574)
Industrial park	942	-	-	-	(942)	-	(942)
Total governmental activities	3,021,180	94,019	58,331	-	(2,868,830)	-	(2,868,830)
Business-type activities:							
Water	596,211	625,181	-	22,852	-	51,822	51,822
Sewer	1,049,549	642,760	-	-	-	(406,789)	(406,789)
Total business-type activities	1,645,760	1,267,941	-	22,852	-	(354,967)	(354,967)
Total	$ 4,666,940	$ 1,361,960	$ 58,331	$ 22,852	(2,868,830)	(354,967)	(3,223,797)
General revenues:							
Taxes -							
Property taxes, levied for general purposes					96,173	-	96,173
Property taxes, levied for specific purposes					-	268,178	268,178
Sales and use taxes, levied for general purposes					553,493	-	553,493
Sales and use taxes, levied for streets					556,699	-	556,699
Franchise taxes					170,570	-	170,570
Beer taxes					5,555	-	5,555
Licenses and permits					147,619	-	147,619
Intergovernmental					351,063	-	351,063
Nonemployer pension contributions					42,993	2,174	45,167
Miscellaneous					171,988	15,510	187,498
Transfers					320,282	(320,282)	-
Total general revenues and transfers					2,416,435	(34,420)	2,382,015
Change in net position					(452,395)	(389,387)	(841,782)
Net postion - beginning					6,401,452	11,066,498	17,467,950
Net position - ending					$ 5,949,057	$ 10,677,111	$ 16,626,168

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

FUND FINANCIAL STATEMENTS (FFS)

TOWN OF BUNKIE, LOUISIANA

Balance Sheet
Governmental Funds
June 30, 2020

	General Fund	Sales Tax Fund	Other Governmental	Total
ASSETS				
Cash and cash equivalents	$ 677,247	$ 172,994	$ 29,811	$ 880,052
Receivables:				
Taxes	77,531	47,065	-	124,596
Interfund receivables	9,438	-	-	9,438
Due from other governmental agencies	33,269	-	-	33,269
Other	4,453	3,998	-	8,451
Prepaid items	98,619	-	-	98,619
Restricted cash and cash equivalents	12,653	-	-	12,653
Total assets	$ 913,210	$ 224,057	$ 29,811	$ 1,167,078
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 47,904	$ -	$ -	$ 47,904
Accrued liabilities	34,818	4,957	-	39,775
Interfund payables	-	9,438	-	9,438
Total liabilities	82,722	14,395	-	97,117
Fund balances:				
Nonspendable - prepaid	98,619	-	-	98,619
Restricted for:				
Health and welfare	12,653	-	-	12,653
Streets	-	209,662	-	209,662
Capital outlay	-	-	29,811	29,811
Unassigned	719,216	-	-	719,216
Total fund balances	830,488	209,662	29,811	1,069,961
Total liabilities and fund balances	$ 913,210	$ 224,057	$ 29,811	$ 1,167,078

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

TOWN OF BUNKIE, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2020

Total fund balance for governmental funds		$ 1,069,961
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Capital assets, net		7,860,376
Long-term liabilities:		
Capital leases payable	$ (344,550)	
Net pension liability	(1,758,325)	
Net OPEB obligation payable	(877,790)	(2,980,665)
Deferred outflows of resources related to net pension liability		623,075
Deferred inflows of resources related to net pension liability		(320,132)
Deferred outflows of resources related to OPEB		195,672
Deferred inflows of resources related to OPEB		(499,230)
Net position		$ 5,949,057

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

TOWN OF BUNKIE, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances-
Governmental Funds
For the Year Ended June 30, 2020

	General Fund	Sales Tax Fund	Other Governmental	Total
Revenues:				
Taxes -				
Ad Valorem	$ 96,173	$ -	$ -	$ 96,173
Sales	553,493	556,699	-	1,110,192
Franchise	170,570	-	-	170,570
Other	23,186	-	-	23,186
Fees and fines	67,740	-	-	67,740
Licenses and permits	147,619	-	-	147,619
Intergovernmental	409,394	-	-	409,394
Other	164,754	316	-	165,070
Total revenues	1,632,929	557,015	-	2,189,944
Expenditures:				
General government -				
Finance and administrative	611,619	55,016	-	666,635
Judicial	60,218	-	-	60,218
Public safety -				
Fire protection	539,264	-	-	539,264
Police protection	580,107	-	-	580,107
Animal control	15,822	-	-	15,822
Public works -				
Streets	479,801	55,400	-	535,201
Airport	22,348	-	-	22,348
Drivers license office	22,954	-	-	22,954
Culture & recreation	21,868	-	-	21,868
Health & welfare	2,831	-	-	2,831
Capital outlay	114,197	-	-	114,197
Debt service -				
Lease payments	64,912	23,992	-	88,904
Total expenditures	2,535,941	134,408	-	2,670,349
Excess (deficiency) of revenues over expenditures	(903,012)	422,607	-	(480,405)
Other financing sources (uses):				
Operating transfers in	777,389	-	-	777,389
Operating transfers out	(53,374)	(403,733)	-	(457,107)
Proceeds from the sale of capital assets	1,802	-	-	1,802
Total other financing sources (uses)	725,817	(403,733)	-	322,084
Net changes in fund balances	(177,195)	18,874	-	(158,321)
Fund balances, beginning	1,007,683	190,788	29,811	1,228,282
Fund balances, ending	$ 830,488	$ 209,662	$ 29,811	$ 1,069,961

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

TOWN OF BUNKIE, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2020

Total net changes in fund balances per the Statement of Revenues, Expenditures and Changes in Fund Balances		$ (158,321)
Capital assets:		
Capital outlay	$ 114,197	
Depreciation expense	(424,308)	(310,111)
Transactions involving capital assets:		
Proceeds from donated assets	23,000	
Loss on disposal of assets	(9,236)	13,764
Long-term debt:		
Principal paid on capital lease		78,464
Effect of change in net pension liability and total OPEB liability and the related deferred outflows/inflows of resources:		
Nonemployer pension contributions recognized	42,993	
Change in net OPEB expense	(46,161)	
Change in pension expense	(73,023)	(76,191)
Total changes in net position per Statement of Activities		$ (452,395)

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

TOWN OF BUNKIE, LOUISIANA

Statement of Net Position
Proprietary Funds
June 30, 2020

	Business - Type Activities - Enterprise Funds		
	Water	Sewer	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	$ 78,287	$ 63,048	$ 141,335
Receivables			
Accounts, net	78,311	60,935	139,246
Unbilled receivables	26,765	26,899	53,664
Inventory	50,676	-	50,676
Prepaid items	725	4,335	5,060
Total current assets	234,764	155,217	389,981
Noncurrent assets:			
Restricted assets -			
Cash and cash equivalents	89,024	3,884,478	3,973,502
Capital assets:			
Nondepreciable	45,546	4,756,214	4,801,760
Depreciable assets	9,482,327	9,974,915	19,457,242
Accumulated depreciation	(4,569,884)	(4,280,620)	(8,850,504)
Total non current assets	5,047,013	14,334,987	19,382,000
Total assets	5,281,777	14,490,204	19,771,981
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	14,612	27,593	42,205
Deferred outflows of resources related to OPEB	4,397	19,787	24,184
Total deferred outflows of resources	19,009	47,380	66,389
LIABILITIES			
Current liabilities, payable from current assets:			
Accounts payable	68,913	-	68,913
Contracts payable	-	214,416	214,416
Accrued liabilities	602	2,114	2,716
Accrued interest payable	-	77,949	77,949
Bonds payable	-	275,000	275,000
Total current liabilities, payable from current assets	69,515	569,479	638,994
Noncurrent liabilities:			
Customer deposits payable	89,024	-	89,024
Bonds payable	-	8,117,578	8,117,578
Net pension liability	49,003	92,536	141,539
OPEB obligation payable	19,726	88,766	108,492
Total noncurrent liabilities	157,753	8,298,880	8,456,633
Total liabilities	227,268	8,868,359	9,095,627
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	1,360	2,569	3,929
Deferred inflows of resources related to OPEB	11,219	50,484	61,703
Total deferred inflows of resources	12,579	53,053	65,632
NET POSITION			
Net investment in capital assets	4,957,989	5,538,868	10,496,857
Restricted:			
Debt Service	-	325,592	325,592
Unrestricted	102,950	(248,288)	(145,338)
Total net position	$ 5,060,939	$ 5,616,172	$ 10,677,111

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

TOWN OF BUNKIE, LOUISIANA

Statement of Revenues, Expenses, and Change in Fund Net Position -
Proprietary Funds
For the Year Ended June 30, 2020

	Business - Type Activities - Enterprise Funds		
	Water	Sewer	Totals
Operating revenues:			
Charges for services	$ 603,912	$ 562,352	$ 1,166,264
Delinquent and other charges	21,269	80,408	101,677
Total operating revenues	625,181	642,760	1,267,941
Operating expenses:			
Salaries	38,330	220,278	258,608
Employee benefits	25,619	85,248	110,867
Chemicals and supplies	52,667	43,554	96,221
Repairs and maintenance	106,614	36,381	142,995
Gasoline and oil	2,145	8,169	10,314
Utilities and telephone	57,591	73,569	131,160
Depreciation expense	298,412	298,002	596,414
Other operating expenses	14,795	2,030	16,825
Total operating expenses	596,173	767,231	1,363,404
Operating income (loss)	29,008	(124,471)	(95,463)
Nonoperating revenues (expenses):			
Nonemployer pension contribution	753	1,421	2,174
State Grant	22,852	-	22,852
Interest income	794	10,511	11,305
Ad valorem taxes	-	268,178	268,178
Sale of assets	(38)	4,205	4,167
Interest expense	-	(282,318)	(282,318)
Total nonoperating revenues (expenses)	24,361	1,997	26,358
Income before transfers	53,369	(122,474)	(69,105)
Transfers in (out)			
Transfers in	-	54,072	54,072
Transfers out	(374,354)	-	(374,354)
Total transfers in (out)	(374,354)	54,072	(320,282)
Change in net position	(320,985)	(68,402)	(389,387)
Net position, beginning	5,381,924	5,684,574	11,066,498
Net position, ending	$ 5,060,939	$ 5,616,172	$ 10,677,111

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

TOWN OF BUNKIE, LOUISIANA

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2020

	Business - Type Activities - Enterprise Funds		
	Water	Sewer	Totals
Cash flows from operating activities:			
Receipts from customers	$ 599,784	$ 563,571	$ 1,163,355
Payments to suppliers	(174,422)	(171,237)	(345,659)
Payments to employees	(56,796)	(296,862)	(353,658)
Other receipts	21,269	80,408	101,677
Net cash provided by operating activities	389,835	175,880	565,715
Cash flows from noncapital financing activities:			
Transfers from other funds	-	54,072	54,072
Transfers to other funds	(374,354)	-	(374,354)
Net cash provided (used) by noncapital financing activities	(374,354)	54,072	(320,282)
Cash flows from capital and related financing activities:			
Capital purchase and construction of capital assets	(30,962)	(1,880,993)	(1,911,955)
Proceeds from grants	22,852	-	22,852
Proceeds from ad valorem taxes	-	268,178	268,178
Proceeds (loss) from sale of asset	-	4,205	4,205
Principal paid on bonds	-	(260,000)	(260,000)
Interest paid on revenue bonds	-	(290,404)	(290,404)
Net cash provided (used) by capital and related financing activities	(8,110)	(2,159,014)	(2,167,124)
Cash flows from investing activities:			
Interest	794	10,511	11,305
Net change in cash and cash equivalents	8,165	(1,918,551)	(1,910,386)
Cash and cash equivalents, beginning of period	159,146	5,866,077	6,025,223
Cash and cash equivalents, end of period	$ 167,311	$ 3,947,526	$ 4,114,837

(continued)

TOWN OF BUNKIE, LOUISIANA

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2020

	Water System	Sewer System	Totals
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	$ 29,008	$ (124,471)	$ (95,463)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	298,412	298,002	596,414
Net pension liability	6,085	736	6,821
Net OPEB liability	(9,564)	(43,041)	(52,605)
Deferred inflows of resources	8,283	37,325	45,608
Deferred outflows of resources	1,627	12,223	13,850
Nonemployer contibutions	753	1,421	2,174
(Increase) decrease in assets:			
Accounts receivable	(814)	1,219	405
Inventory	(5,999)	-	(5,999)
Increase (decrease) in liabilities:			
Accounts payable	65,389	(7,534)	57,855
Customer deposits	(3,314)	-	(3,314)
Accrued liabilities	(31)	-	(31)
Net cash provided by operating activities	$ 389,835	$ 175,880	$ 565,715
Reconciliation of cash and cash equivalents per statement of cash flows to the statement of net position			
Cash and cash equivalents, beginning of period -			
Cash and cash equivalents - unrestricted	$ 59,470	$ 45,083	$ 104,553
Cash and cash equivalents - restricted	99,676	5,820,994	5,920,670
Total cash and cash equivalents, beginning of period	159,146	5,866,077	6,025,223
Cash and cash equivalents, end of period -			
Cash and cash equivalents - unrestricted	78,287	63,048	141,335
Cash and cash equivalents - restricted	89,024	3,884,478	3,973,502
Total cash and cash equivalents, end of period	167,311	3,947,526	4,114,837
Net change in cash and cash equivalents	$ 8,165	$ (1,918,551)	$ (1,910,386)

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

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Town of Bunkie, Louisiana (Town) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

The Town of Bunkie, Louisiana was incorporated under the provisions of Louisiana Law in 1885. The Town is governed by its Mayor and a Board of Aldermen consisting of five members.

This report includes all funds that are controlled by or dependent on the Town executive and legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the Town was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

The Town of Bunkie is a primary government and has no component units. The accompanying financial statements present information only on the funds maintained by the Town and do not present information on any other governmental unit.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The government-wide financial statements provide operational accountability information for the Town as an economic unit. The government-wide financial statements report the Town's ability to maintain service levels and continue to meet its obligations as they come due. The statements include all governmental activities and all business-type activities of the primary government.

Fund Financial Statements

The accounts of the Town are organized on the basis of funds, each of which is considered to be an independent fiscal and accounting entity. The operations of each fund are accounted for within separate sets of self-balancing accounts, which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/net position, revenues, and expenditures/expenses, and transfers.

Major funds are determined as funds whose revenues, expenditures/expenses, assets and deferred outflows of resources or liabilities and deferred inflows of resources are at least ten percent of the totals for all governmental or enterprise funds and at least five percent of the aggregate amount for all governmental and enterprise funds for the same item or funds designated as major at the discretion of the Town. Funds not classified as a major fund are aggregated and presented in a single column in the fund financial statements. The Town uses the following funds, grouped by fund type.

Governmental Funds –

Governmental Funds are those through which most governmental functions of the Town are financed. The acquisition use and balances of the Town's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds.

General Fund

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

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of government grants or other specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects of the Town. The following is the Town's major Special Revenue Fund:

The Sales Tax Fund is used to account for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for constructing, paving, resurfacing, improving and maintaining public streets, sidewalks, and bridges.

Proprietary Funds –

Proprietary funds are used to account for the Town's ongoing operations and activities which are similar to those often found in the private sector where the intent is that costs of providing goods and services be recovered through user charges. The proprietary funds maintained by the Town are enterprise funds.

Enterprise Funds

Enterprise funds are proprietary funds that are used to report activities for which a fee is charged to external users. These funds account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Town's enterprise funds are the Water and Sewer funds.

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

The measurement focus determines the accounting and financial reporting treatment applied to a fund. The governmental and business-type activities within the government-wide statement of net position and statement of activities are presented using the economic resources measurement focus. The economic resources measurement focus meets the accounting objectives of determining net income, net position, and cash flows.

The fund financial statements use either the current financial resources measurement focus, or the economic resources measurement focus as appropriate. Governmental funds use the current financial resources measurement focus. The measurement focus is based upon the receipt and disbursement of current available financial resources rather than upon net income. The measurement focus of the proprietary fund types, the flow of economic resources, is based upon determination of net income, net position and cash flows

The accrual basis of accounting is used throughout the government-wide statements; conversely, the financial statements of the governmental funds have been prepared in accordance with the modified accrual basis of accounting, whereby revenues are recognized when considered both measurable and available to finance expenditures of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. An exception to this is grants collected on a reimbursement basis.

Reimbursable grants are recognized as revenue when reimbursable expenditures are made. The Town considers reimbursement amounts received within one year as available. The Town accrues intergovernmental revenue, ad valorem and sales tax revenue, franchise fees, charges for services, and investment income based upon this concept. Expenditures generally are recognized when the related fund liabilities are incurred and become payable in the current period. Proceeds of debt are reported as other financing sources, and principal and interest on long-term debt, as well as expenditure related to compensated absences and claims and judgments, are recorded as expenditures when paid.

Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursement for specific purposes or projects are recognized in the period in which the expenditures are recorded. All other revenue items are considered to be measurable and available only when cash is received by the Town. Transfers between governmental funds are recorded when the related liability is incurred. These transfers do not represent revenues (expenditures) to the Town and are, therefore, reported as other financing sources (uses) in the governmental fund financial statements.

Since the fund level statements are presented using a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each fund level statement that summarizes the adjustments necessary to convert the fund level statements into the government-wide presentations. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The financial statements of the enterprise funds have been prepared in accordance with the accrual basis of accounting. Accordingly, revenues are recorded when earned, and expenses and related liabilities are recorded when incurred.

D. Assets and Deferred Outflows, Liabilities and Deferred Inflows and Equity

Cash and cash equivalents

For purposes of the statement of net position, cash and cash equivalents include all cash on hand, demand accounts, savings accounts, and certificates of deposits of the Town.

For the purpose of the proprietary funds statement of cash flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less when purchased.

Receivables

Receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include ad valorem and sales and use taxes. Business-type activities report customer's utility service receivables as their major receivables. Uncollectible ad valorem taxes or utility service receivables are recognized as bad debts at the time information becomes available which would indicate the collectability of the particular receivable. An allowance for doubtful accounts was considered immaterial at June 30, 2020. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans are reported as "advances from and to other funds." Interfund receivables and payables, advances to and from other funds, as well as due to and from other funds are eliminated in the statement of net position.

Inventory

Inventories are valued at cost, which approximates market value, using the first-in/first-out (FIFO) method. All inventories are accounted for in the proprietary funds as assets when purchased and recorded as expenditures when consumed.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2020 are recorded as prepaid items.

Restricted Assets

Restricted assets include cash and interest-bearing deposits of the governmental and proprietary funds that are legally restricted as to their use. The restricted assets recorded in the governmental funds are related to grant monies, while the restricted assets in the proprietary funds are related to the utility bonds and meter deposits.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated acquisition cost at the date of donation. The Town maintains a threshold level of $1,000 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. Prior to July 1, 2001, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	40 years
Equipment, furniture and fixtures	5 years
Utility system and improvements	20-40 years
Infrastructure	20 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Compensated Absences

The Town does not accumulate unpaid vacation. Sick pay may be accumulated not to exceed 30 days; however, it is not payable upon resignation or termination. Therefore, there is no compensated absences payable at June 30, 2020.

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of the general obligation bonds payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period (s) and so will not be recognized as an inflow of resources (revenue) until that time.

Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in three components:

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

b. Restricted net position consists of net position with constraints placed on the use either by (1) external groups, such as creditors, grantors, and contributors, laws or regulations of other governments; or (2) laws through constitutional provisions or enabling legislation. It is the Town's policy to use restricted net position prior to the use of unrestricted net position when both restricted and unrestricted net position are available for an expense which has been incurred.

c. Unrestricted net position consists of all other assets, deferred outflows of resources, liabilities and deferred inflows of resources that do not met the definition of "restricted" or "net investment in capital assets."

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily upon the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The categories and their purposes are:

a. Non-spendable includes fund balance amounts that cannot be spent either because they are not in spendable form or because of legal or contractual constraints requiring they remain intact. The Town's non-spendable fund balance consists of prepaid items.

b. Restricted includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors, grantors, contributors, or amounts constrained due to constitutional provisions or enabling legislation or the laws or regulations of other governments.

c. Committed includes fund balance amounts that can be used only for specific purposes that are internally imposed by the Town through formal legislative action of the Mayor and Aldermen and does not lapse at year end. A committed fund balance constraint can only be established, modified or rescinded by passage of an ordinance (Law) by the Mayor and Aldermen.

d. Assigned includes fund balance amounts that are constrained by the Town's intent to be used for specific purposes, that are neither restricted nor committed. The assignment of fund balance is authorized by a directive from the Town administrator and approval of a resolution by the Mayor and Board of Aldermen.

e. Unassigned includes fund balance amounts which have not been classified within the categories mentioned above.

It is the Town's policy to use restricted amounts first when both restricted and unrestricted fund balance is available unless prohibited by legal or contractual provisions. Additionally, the Town uses committed, assigned, and lastly unassigned amounts of fund balance in that order when expenditures are made.

The propriety fund equity is classified the same as in government-wide statements.

E. Revenues, Expenditures, and Expenses

Revenues

The Town considers revenue to be susceptible to accrual in the governmental funds as it becomes measurable and available, as defined under the modified accrual basis of accounting. The Town generally defines the availability period for revenue recognition as received within sixty (60) days of year end. The Town's major revenue sources that meet this availability criterion are intergovernmental revenues, franchise fees, tax revenue, and charges for services.

There are two classifications of programmatic revenues for the Town, grant revenue and program revenue. Grant revenues are revenues from federal, state, and private grants. These revenues are recognized when all applicable eligibility requirements are met and are reported as intergovernmental revenues. Program revenues are derived directly from the program itself or from parties outside the Town's taxpayers or citizenry, as a whole. Program revenues reduce the cost of the function to be financed from the Town's general revenues. The primary sources of program revenue are fees, fines, and charges paid by recipients of goods or services, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and earned income in connection with the operation of the Town's utility system.

Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied in October and are billed to taxpayers in December. Billed taxes become delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Tax Assessor and are collected by the Sheriff. Ad valorem taxes are used for general corporate purposes and are recorded in governmental fund. In the business type activities, ad valorem taxes are assessed and used for the repayment of general obligation bonds related to the sewer department.

Interest income is recorded as earned in the fund holding the interest-bearing asset.

Substantially all other revenues are recorded when received.

Operating Revenues and Expenses

In the proprietary funds, operating revenues are those revenues produced as a result of providing services and producing and delivering goods and/or services. Nonoperating revenues are funds primarily provided by investing activities, such as financial institution interest income, gains on disposal of assets and insurance recoveries on property loss. Operating expenses are those expenses related to the production of revenue. Nonoperating expenses are those expenses not directly related to the production of revenue and include items such as interest expense and losses on disposal of assets.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities. In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character
Proprietary Fund - By Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds and proprietary funds have been eliminated.

F. Revenue Restrictions

The Town has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

Revenue Source	Legal Restrictions on Use
Ad valorem	See Note 1E
Sales tax	See Note 6
Sewer revenue	Debt service and utility operations

The Town uses unrestricted resources only when restricted resources are fully depleted.

G. Pensions

The net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. Non-employer contributions are recognized as revenues in the government-wide and proprietary fund financial statements. In the governmental fund financial statements contributions are recognized as expenditures when due.

H. Postemployment Benefits Other than Pensions (OPEB)

The net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB, and OPEB expense has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. In the governmental fund financial statements contributions are recognized as expenditures when due.

I. 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 expenditures during the reporting period. These estimates include assessing the collectability of accounts receivable and the useful lives and impairment of tangible and intangible assets, among others. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from those estimates.

(2) Cash and Cash Equivalents

Under state law, the Town may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Town may invest in direct obligations of the United States government, bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and/or the United States government, and time certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Town's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. The Town does not have a policy for custodial credit risk; however, under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security 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 bank. These securities are held in the name of the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties.

Bank balances	$ 5,071,149
Insured	$ 889,796
Uninsured and collateral held by pledging bank not in the Town's name	4,181,353
Total	$ 5,071,149

(3) Restricted Assets

Restricted assets consisted of the following:

	Governmental Activities	Business-Type Activities	Total
Customer utility deposits	$ -	$ 89,024	$ 89,024
Grant proceeds	12,653	-	12,653
Bond contingency fund	-	89,770	89,770
Bond sinking fund	-	313,771	313,771
Construction account	-	3,480,937	3,480,937
	$ 12,653	$ 3,973,502	$ 3,986,155

(4) Capital Assets

Capital asset activity was as follows:

	Beginning	Additions	Deletions	Ending
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 536,222	$ -	$ -	$ 536,222
Other capital assets:				
Buildings and improvement	5,680,539	22,725	-	5,703,264
Equipment, furniture and fixtures	2,045,290	114,472	130,322	2,029,440
Infrastructure	3,222,757	-	-	3,222,757
Total capital assets	11,484,808	137,197	130,322	11,491,683
Less accumulated depreciation				
Buildings	1,952,618	158,852	-	2,111,470
Equipment, furniture and fixtures	1,151,583	168,602	121,086	1,199,099
Infrastructure	223,884	96,854	-	320,738
Total accumulated depreciation	3,328,085	424,308	121,086	3,631,307
Governmental activities, capital assets, net	$ 8,156,723	$ (287,111)	$ 9,236	7,860,376

Depreciation expense was charged to governmental activities as follows:

Finance and administrative	$ 26,320
Health and welfare	365
Judicial	4,276
Fire protection	60,576
Police protection	38,046
Streets	136,090
Airport	23,946
Industrial Park	942
Juvenile Justice	44,574
Culture and recreation	89,173
Total depreciation expense	$ 424,308

	Beginning	Additions	Deletions	Ending
Business-type activities:				
Capital assets not being depreciated:				
Land and rights of way	$ 45,546	$ -	$ -	$ 45,546
Utility construction in process	3,488,428	1,267,786	-	4,756,214
Other capital assets:				
Waterworks system	9,382,193	30,962	1,503	9,411,652
Sewer treatment plan	5,328,526	-	-	5,328,526
Sewer Collection system	4,449,060	-	-	4,449,060
Utility equipment	153,571	-	-	153,571
Vehicles	166,814	-	52,381	114,433
Total capital assets	23,014,138	1,298,748	53,884	24,259,002
Less accumulated depreciation:				
Waterworks system	4,219,918	294,889	1,465	4,513,342
Sewer treatment plan	2,540,050	152,154	-	2,692,204
Sewer Collection system	1,338,392	121,404	-	1,459,796
Utility equipment	100,921	7,440	-	108,361
Vehicles	108,655	20,527	52,381	76,801
Total accumulated depreciation	8,307,936	596,414	53,846	8,850,504
Business-type activities, capital assets, net	$ 14,706,202	$ 702,334	$ 38	$ 15,408,498

Depreciation expense was charged to business-type activities as follows:

Water	$ 298,412
Sewer	298,002
Total depreciation expense	$ 596,414

(5) Changes in Long-Term Debt

The following is a summary of long-term debt:

	Governmental Activities	Business-Type Activities	Total
General Obligation Bonds	$ -	$ 5,395,000	$ 5,395,000
Sewer Utility Bonds	-	2,875,000	2,875,000
Capital leases	344,550	-	344,550
Unamortized premium/discount, net	-	122,578	122,578
Total obligations	$ 344,550	$ 8,392,578	$ 8,737,128

	Governmental Activities	Business-Type Activities	Total
Due within one year	$ 69,248	$ 275,000	$ 344,248
Due in more than one year	275,302	7,995,000	8,270,302
Unamortized premium/discount, net	-	122,578	122,578
Total obligations	$ 344,550	$ 8,392,578	$ 8,737,128

Long-term debt activity was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities				
Capital lease - Government Capital	$ 237,324	$ -	$ 36,559	$ 200,765
Capital lease - Government Capital	98,142	-	12,427	85,715
Capital lease - Government Capital	75,983	-	17,913	58,070
Capital lease - Kubota	11,565	-	11,565	-
Total Governmental activities	$ 423,014	$ -	$ 78,464	$ 344,550

	Beginning Balance	Additions	Reductions	Ending Balance
Business-type activities				
General Obligation Bonds	$ 5,555,000	$ -	$ 160,000	$ 5,395,000
Sewer Utility Bonds	2,975,000	-	100,000	2,875,000
Unamortized premium/discount, net	128,776	-	6,198	122,578
Total Business-type activities	$ 8,658,776	$ -	$ 266,198	$ 8,392,578

Capital Lease Obligations

The Town entered into a capital lease agreement with Kubota Leasing dated September 24, 2015 for an excavator with an original cost of $46,492, bearing interest at a rate of 0% payable in five (5) annual installments beginning on January 1, 2016 and ending on January 1, 2020. The town entered into a capital lease agreement with Government Capital Corporation dated January 18, 2017 for a fire truck with an original cost of $307,864, bearing interest at a rate of 3.142% payable in eight (8) annual installments beginning on December 16, 2017 and ending on December 16, 2024. The Town entered into a capital lease with Government Capital Corporation dated May 5, 2019 for three Dodge Charger police units with an original cost of $75,983, bearing interest at a rate of 3.926% payable in four (4) annual installments beginning on June 4, 2020 and ending on June 4, 2023. Additionally, the town entered into a capital lease with Government Capital Corporation dated September 21, 2018 for John Deere tractor and mower with an original cost of $114,493, bearing interest at a rate of 3.997% payable in eight (8) annual installments beginning November 2, 2018 and ending November 2, 2025. Future minimum lease payments under these capital lease arrangements are presented as follows:

Year Ended June 30th	Rescue F750 Principal	Rescue F750 Interest	3 Dodge Chargers Principal	3 Dodge Chargers Interest
2021	$ 37,708	$ 6,308	$ 18,616	$ 2,280
2022	38,893	5,123	19,347	1,549
2023	40,115	3,901	20,107	789
2024	41,375	2,641	-	-
2025	42,675	1,341	-	-
Total	$ 200,766	$ 19,314	$ 58,070	$ 4,618

Year Ended June 30th	Tracter/Mower Principal	Tracter/Mower Interest
2021	$ 12,924	$ 3,426
2022	13,440	2,910
2023	13,977	2,372
2024	14,536	1,814
2025	15,117	1,233
2026	15,720	628
Total	$ 85,714	$ 12,383

Leased equipment and vehicles under capital leases are included in capital assets at June 30, 2020 as follows:

Equipment and vehicles	$ 544,831
Less: Accumulated depreciation	(161,972)
Net	$ 382,859

Depreciation expense of $65,261 was recorded on the leased equipment and vehicles under capital leases and included in the governmental activities for the year ended June 30, 2020. Interest expense of $8,571 was incurred on capital leases for the year ended June 30, 2020 and included in the statement of activities under Public Safety.

Sewer Utility Bonds

Amounts outstanding at year end consist of Sewer Utility Revenue Bonds, Series 2015. Portions of the bond issue mature each year with the final installment due November 1, 2040. Amounts maturing each year range from $80,000 to $190,000 with interest rates ranging from 2.0% to 4.0%.

The bonds are scheduled to mature as follows:

Year Ended June 30	Principal	Interest
2021	$ 105,000	$ 93,395
2022	105,000	91,164
2023	105,000	88,696
2024	110,000	86,170
2025	110,000	83,448
2026-2030	610,000	366,846
2031-2035	700,000	265,049
2036-2040	840,000	124,290
2041-2045	190,000	3,800
Sub-Total	2,875,000	1,202,858
Less: Unamortized Discount	(29,139)	-
Total	$ 2,845,861	$ 1,202,858

General Obligation Bonds

Amounts outstanding at year end consist of General Obligation Refunding Bonds, Series 2015. Portions of the bond issue mature each year with the final installment due March 1, 2040. Amounts maturing each year range from $140,000 to $400,000 with interest rates ranging from 3.0% to 4.0%. The bonds are scheduled to mature as follows:

Year Ended June 30	Principal	Interest
2021	$ 170,000	$ 190,262
2022	175,000	185,162
2023	185,000	179,912
2024	195,000	174,362
2025	205,000	168,512
2026-2030	1,175,000	743,698
2031-2035	1,460,000	531,076
2036-2040	1,830,000	226,000
Sub-Total	5,395,000	2,398,984
Plus: Unamortized Premium	151,717	-
Total	$ 5,546,717	$ 2,398,984

(6) Sales and Use Tax

Proceeds of a 1% sales and use tax levied by the Town of Bunkie, Louisiana, are dedicated for the following purposes:

> Constructing, paving, resurfacing, improving, and maintaining public streets, sidewalks and bridges. Proceeds may also be used to pay principal and interest for bonds issued in connection with those activities.

Proceeds of two 1/2% sales and use tax levied by the Town of Bunkie, Louisiana, are dedicated for the following purposes:

> Paying salaries and related benefits for police, fire, and other city employees.

(7) Pension Plans

Substantially all employees of the Town participate in one of four cost-sharing multiple employer public retirement systems. Each system is administered and controlled by a separate board of trustees.

A. Municipal Employees Retirement System of Louisiana (MERS) -

Plan Description: Employees of the Town are provided with pensions through a cost-sharing multiple-employer defined benefit pension plan established in accordance with the provisions of Louisiana Revised Statute 11:1731 to provide retirement, disability, and survivor benefits to employees of all incorporated villages, towns and cities throughout the State of Louisiana. MERS is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Town are members of Plan A. The system issues a publicly available financial report that may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

Benefits Provided: The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

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

a. Any age with twenty-five (25) or more years of creditable service.
b. Age 60 with a minimum of ten (10) years of creditable service.
c. Any age with twenty (20) years of creditable service, exclusive of military service with an actuarially reduced early benefit.

Generally, the monthly amount of the retirement allowance for any member of Plan A shall consist of an amount equal to three percent of the member's monthly average final compensation multiplied by his years of creditable service. Final compensation is the average monthly earnings during the highest sixty consecutive months, or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. An additional regular retirement benefit can be received for any city marshal or deputy city marshal.

Any member of Plan A Tier 2 can retire providing he meets one of the following requirements:

a. Age 67 with seven (7) or more years of creditable service.
b. Age 62 with ten (10) or more years of creditable service.
c. Age 55 with thirty (30) or more years of creditable service.
d. Any age with twenty-five (25) years of creditable service with an actuarially reduced early benefit.

Generally, the monthly amount of retirement allowance for any member of Plan A Tier 2 shall consist of an amount equal to three percent of the member's final average compensation multiplied by his years of creditable service. Final average compensation is the average monthly earnings during the highest sixty consecutive months, or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. Any city marshal or deputy city marshal shall receive an additional regular benefit computed on supplemental marshal's earnings.

Survivor Benefits: Upon death of any member of Plan A with five (5) or more years of creditable service, not eligible for retirement, the plan provides for benefits for the surviving spouse and/or minor children as outlined in the statutes.

Any member of Plan A, who is eligible for normal retirement at time of death and who leaves a surviving spouse will be deemed to have retired and selected Option 2 benefits on behalf of the surviving spouse on the date of death. Such benefits will begin only upon proper application and are paid in lieu of any other survivor benefits.

Deferred Retirement Option Plan (DROP) Benefits: In lieu of terminating employment and accepting a service retirement allowance, any member of Plan A who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable, but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund. Interest is earned when the member has completed DROP participation. Interest earnings are based upon the actual rate of return on the investments identified as DROP funds for the period. In addition, no cost-of-living increases are payable to participants until employment which made them eligible to become members the System has been terminated for at least one full year.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the board of trustees. If a participant dies during participation in the DROP, a lump sum equal to the balance in his account shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the DROP fund cease and the person resumes active contributing membership in MERS.

Disability Benefits: Plan A shall be paid a disability benefit equal to the lesser of (1) an amount equal to three percent of his final compensation multiplied by his years of creditable service, but not less than forty-five percent of his final compensation, or (2) an amount equal to what the member's normal retirement benefit would be based on the member's current final compensation, but assuming the member remained in continuous service until his earliest normal retirement age and using those retirement benefit computation factors which would be applicable to the member's normal retirement.

Cost of Living Increases: The System is authorized under state law to grant a cost-of-living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows the System to grant an additional cost of living increase to all retirees and beneficiaries who are age sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.

Deferred Benefits: Plan A provides for deferred benefits for members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement; benefits become payable. Benefits are based on statutes in effect at time of withdrawal.

Contributions: According to state statute, contribution requirements for all employers are actuarially determined each year. For the year ending June 30, 2020, the actual employer contribution rate was 26.00% for Plan A. For the year ended June 30, 2019, the actuarially determined employer contribution rate was 24.75% for Plan A. The actual rate differs from the actuarially required rate due to state statutes that require the contribution rate be calculated and set two years prior to the year effective. In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities but are not considered special funding situations. Total non-employer contributions recognized as income for the year ended June 30, 2020 were $17,013. Contributions to the pension plan from the Town were $150,009 for the year ended June 30, 2020.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2020 the Town reported a liability of $1,107,813 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2019 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Town's proportion of the Net Pension Liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the Town's proportion was 0.265%, which was an increase of 0.013% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Town's MERS plan recognized pension expense of $235,871.

At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	$ -	$ 27,031
Change in assumptions	27,996	-
Change in proportion and differences between the employer's contributions and the proportionate share of contributions	42,457	3,723
Net difference between projected and actual earnings on pension plan investments	109,872	-
Contributions subsequent to the measurement date	150,009	-
Total	$ 330,334	$ 30,754

Deferred outflows of resources of $150,009 related to MERS resulting from the Town's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to MERS will be recognized in pension expense (benefit) as follows:

Year Ended June 30:	
2021	$ 87,569
2022	38,748
2023	14,031
2024	9,223
	$ 149,571

Actuarial Assumptions: The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the System to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the System's fiduciary net position.

A summary of the actuarial methods and assumptions used in determining the total pension liability of the System as of June 30, 2020 are as follows:

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal Cost
Expected Remaining Service Life	3 years
Actuarial Assumptions:	
Investment rate of return	7.0%, net of investment expense, including inflation
Inflation Rate	2.5%
Salary increases, including information and merit increases	1-4 years of service- 6.4% Plan A More than 4 years of service- 4.5% Plan A
Annuitant and beneficiary mortality	PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
Employee mortality	PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.

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 expense 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 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 allocations as of June 30, 2019 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Public equity	50%	2.2%
Public fixed income	35%	1.5%
Alternatives	15%	0.6%
Totals	100%	4.3%
Inflation		2.7%
Expected Arithmetic Nominal Return		7.0%

Discount rate: The discount rate used to measure the System's total pension liability was 7.0% for the year ended June 30, 2019. This was a decrease of .275% from the discount rate used in the previous year. 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 statues and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the System's net pension liability of the participating employers calculated using the discount rate of 7.000%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.000%), or one percentage point higher (8.000%) than the current rate (assuming all other assumptions remain unchanged) as of June 30, 2019:

	1% Decrease 6.000%	Current Discount Rate 7.000%	1% Increase 8.000%
Net Pension Liability	$ 1,444,390	$ 1,107,813	$ 823,248

B. Municipal Employees Police Retirement System of Louisiana (MPERS) –

Plan Description: The Municipal Police Employees' Retirement System is the administrator of a cost-sharing multiple-employer plan. Membership in the MPERS is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, provided he or she does not have to pay social security and providing he or she meets the statutory criteria. The System provides retirement benefits for municipal police officers. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the system in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. The System issues a publicly available financial report that may be obtained by writing to the Municipal Employees' Retirement System of Louisiana, 7722 Office Park Boulevard, Suite 200, Baton Rouge, Louisiana 70809, or by calling (225) 929-7411.

Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Membership Prior to January 1, 2013 - A member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years creditable service and is age 55. A member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age with an actuarially reduced benefit. Benefit rates are three and one-third percent of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service, not to exceed 100% of final salary. Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from forty to sixty percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives benefits equal to ten percent of the member's average final compensation or $200 per month, whichever is greater.

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

Under the Hazardous and Non-Hazardous Duty sub plans, the benefit rates are three percent and two and a half percent, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statues, the benefits range from twenty-five to fifty-five percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives ten percent of average final compensation or $200 per month whichever is greater. If deceased member had less than ten years of service, beneficiary will receive a refund of employee contributions only.

Cost of Living Adjustments: The Board of Trustees is authorized to provide annual cost-of-living adjustments computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility. No regular retiree, survivor or beneficiary shall be eligible to receive a cost-of-living adjustment until benefits have been received at least one full fiscal year and the payment of such COLA, when authorized, shall not be effective until the lapse of at least one-half of the fiscal year. Members who elect early retirement are not eligible for a cost-of-living adjustment until they reach regular retirement age. A cost-of-living adjustment may only be granted if funds are available from interest earnings in excess of normal requirements, as determined by the actuary.

Deferred Retirement Option Plan: A member is eligible to elect to enter the deferred retirement option plan (DROP) when he is eligible for regular retirement based on the members' sub plan participation. Upon filing the application for the program, the employee's active membership in the System is terminated. At the entry date into the DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DROP is thirty-six months or less. If employment is terminated after the three-year period, the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership into the System shall resume and upon later termination, he shall receive additional retirement benefit based on the additional service. For those eligible to enter DROP prior to January 1, 2004, DROP accounts shall earn interest subsequent to the termination of DROP participation at a rate of half of one percentage point below the percentage rate of return of MPERS's investment portfolio as certified by the actuary on an annual basis but will never lose money. For those eligible to enter DROP subsequent to January 1, 2004, an irrevocable election is made to earn interest based of the System's investment portfolio return or a money market investment return. This could result in a negative earnings rate being applied to the account. If the member elects a money market investment return, the funds are transferred to a government money market account.

Initial Benefit Option Plan: In 1999, the State Legislature authorized the System to establish an Initial Benefit Option program. Initial Benefit Option is available to members who are eligible for regular retirement and have not participated in DROP. The Initial Benefit Option program provides both a one-time single sum payment of up to 36 months of regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest is computed on the balance based on same criteria as DROP.

Contributions: Contributions for all members are actuarially determined as required by state law but cannot be less than 9% of the employees' earnable compensation excluding overtime but including state supplemental pay.

For the year ended June 30, 2019, total contribution due for employers and employees was 42.5%. The employer and employee contribution rates for all members hired prior to January 1, 2013 and Hazardous Duty members hired after January 1, 2013 were 32.25% and 10.0%, respectively. The employer and employee contribution rates for all Non-Hazardous Duty members hired after January 1, 2013 were 32.25% and 8%, respectively. The employer and employee contribution rates for all members whose earnable compensation is less than or equal to the poverty guidelines issued by the United States Department of Health and Human Services were 34.75% and 7.5%, respectively. The actuarial required employer and employee combined contribution for June 30, 2019 was 42.5%. Contributions to the pension plan from the Town totaled $23,998 for the year ended June 30, 2020.

Non-employer contributions: The System also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions are recognized as revenue and excluded from pension expense. Total non-employer contributions recognized as income for the year ended June 30, 2020 were $4,313.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2020, the Town reported a liability of $190,243 for its proportionate share of the Net Pension Liability of MPERS. The Net Pension Liability was measured as of June 30, 2019 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Town's proportion of the Net Pension Liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the Town's proportion was 0.021%, which was a decrease of 0.03% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Town's MPERS plan recognized pension benefit of $(37,808).

At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	$ 399	$ 5,853
Changes of assumptions	10,661	217,824
Change in proportion and differences between the employer's contributions and the proportionate share of contributions	1,829	23
Net difference between projected and actual earnings on pension plan investments	12,360	-
Contributions subsequent to the measurement date	23,998	-
Total	$ 49,247	$ 223,700

Deferred outflows of resources of $23,998 related to MPERS resulting from the Town's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (benefit) as follows:

Year Ended June 30:	
2021	$ (69,562)
2022	(78,361)
2023	(53,614)
2024	3,086
	$ (198,451)

Actuarial Assumptions: The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

A summary of the actuarial methods and assumptions used in determining MPERS total pension liability as of June 30, 2020 are as follows:

Valuation Date	June 30, 2019	
Actuarial Cost Method	Entry Age Normal Cost	
Investment rate of return	7.125%, net of investment expense	
Expected Remaining Service Lives	4 years	
Inflation rate	2.5%	
Salary increases, including inflation and merit	Years of Service	Salary Growth Rate
	1-2	9.75%
	3-23	4.75%
	Over 23	4.25%
Mortality	RP-2000 Combined Helathy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 by Scal AA (set back 1 year for females) for health annuitants and beneficiaries. RP-2000 Disabled Lives Table set back 5 years for males and set back 3 years for females for disabled annuitants. RP-2000 Employee Table set back 4 years for males and 3 years for active members	
Cost-of-Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.	

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period July 1, 2009 through June 30, 2014 and review of similar law enforcement mortality. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a setback of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

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

Asset Class		Target Allocation	Long Term Expected Portfolio Real Rate of Return
Equity		49.00%	3.28%
Fixed Income		33.00%	0.80%
Alternative		18.00%	1.06%
Other		0.00%	0.00%
	Totals	100.00%	5.14%
	Inflation		2.75%
	Expected Nominal Return		7.89%

Discount Rate: The discount rate used to measure the total pension liability was 7.125%. This was a decrease of .075% from the discount rate used in the year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability of the participating employers calculated using the discount rate of 7.125%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 6.125%, or one percentage point higher 8.125% than the current rate.

	1% Decrease 6.125%	Current Discount Rate 7.125%	1% Increase 8.125%
Net Pension Liability	$ 265,071	$ 190,243	$ 127,470

C. Firefighters Retirement System of Louisiana (FRS) –

Plan Description: The Firefighters' Retirement System is the administrator of a cost-sharing multiple-employer plan. Membership in FRS is a condition of employment for any full-time firefighters who earn more than $375 per month and are employed by any municipality, parish, or fire protection district of the State of Louisiana in addition to employees of the FRS. The FRS provides retirement benefits for their members. The projection of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the FRS in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Benefit provisions are authorized within Act 434 of 1979 and amended by LRS 11:2251-11:2272. The following is a brief description of the plan and its benefits and is provided for general informational purposes only. Participants should refer to the appropriate statutes for more complete information.

Any person who becomes an employee as defined in RS 11:2252 on and after January 1, 1980 shall become a member as a condition of employment. No person who has attained age fifty or over shall become a member of the FRS, unless the person becomes a member by reasons of a merger or unless the FRS received an application for membership before the applicant attained the age of fifty. No person who has not attained the age of eighteen year shall become a member of the FRS. Any person who has retired from service under any retirement system or pension fund maintained basically for public officers and employees of the state, its agencies, or political subdivisions, and who is receiving retirement benefits there from may become a member of FRS, provided the person meets all other requirements for membership. Service credit from the retirement system or pension plan from which the member is retired shall not be used for reciprocal recognition of service with the FRS, or for any other purpose in order to attain eligibility or increase the amount of service credit in this System.

Retirement Benefits: Employees with 20 or more years of service who have attained age 50, or employees with 12 years of service who have attained age 55, or 25 years of service at any age are entitled to annual pension benefits equal to 3.333% of their average final compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100%. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity.

Deferred Benefits: After completing 20 years of creditable service and age 50 or 25 years at any age, a member may elect to participate in the deferred retirement option plan (DROP) for up to 36 months.

Upon commencement of participation in the deferred retirement option plan, employer and employee contributions to the System cease. The monthly retirement benefit that would have been payable is paid into the deferred retirement option plan account. Upon termination of employment, a participant in the program shall receive, at his option, a lump-sum payment from the account or an annuity based on the deferred retirement option plan account balance in addition to his regular monthly benefit.

If employment is not terminated at the end of the 36 months, the participant resumes regular contributions to the System. No payments may be made from the deferred retirement option plan account until the participant retires.

Initial Benefit Option Plan: Effective June 16, 1999, members eligible to retire and who do not choose to participate in DROP may elect to receive, at the time of retirement, an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. Such amounts may be withdrawn or remain in the IBO account earning interest at the same rate as the DROP account.

Cost of Living Adjustments (COLAs): Under the provisions of R.S. 11:246 and 11:2260(A)(7), the board of trustees is authorized to grant retired members and widows of members who have retired an annual cost of living increase of up to 3% of their current benefit, and all retired members and widows who are 65 years of age and older a 2% increase in their original benefit. In order for the board to grant either of these increases, the System must meet certain criteria detailed in the statue related to funding status and interest earnings (R.S. 11:243). In lieu of these COLAs, pursuant to R.S. 11:241, the board may also grant an increase in the form of "X x (A+B)," where "X" is any amount up to $1 per month, and "A" is equal to the number of years of credited service accrued at retirement or at death of the member of retiree, and "B" is equal to the number of years since retirement or since death of the member or retiree to June 30th of the initial year of such increase.

Contributions: Employer contributions are actuarially determined each year. For the year ended June 30, 2019, employer, and employee contributions for members above the poverty line were 26.5% and 10.0%, respectively. The employer and employee contribution rates for those members below the poverty line were 28.5% and 8.0%, respectively. Contributions to the pension plan from the Town totaled $60,845 for the year ended June 30, 2020.

Non-employer Contributions: FRS also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions are recognized as revenue and excluded from pension expense. Total non-employer contributions recognized as income for the year ended June 30, 2020 were $23,841.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2020, the Town reported a liability of $357,352 for its proportionate share of the Net Pension Liability of FRS. The Net Pension Liability was measured as of June 30, 2019 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Town's proportion of the Net Pension Liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the Town's proportion was 0.089%, which was a decrease of .027% of its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Town's FRS plan recognized pension expense of $120,386.

At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	$ -	$ 40,171
Changes of assumptions	50,663	41
Change in proportion and differences between the employer's contributions and proportionate share of contributions	129,507	29,230
Net difference between projected and actual earnings on plan investments	37,449	-
Contributions subsequent to the measurement date	60,845	-
Total	$ 278,464	$ 69,442

Deferred outflows of resources of $60,845 related to pensions resulting from the Town's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (benefit) as follows:

Year Ended June 30:	
2021	$ 32,546
2022	8,663
2023	31,862
2024	29,384
2025	22,695
2026	23,027
	$ 148,177

Actuarial Assumptions: The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of FRS's fiduciary net position.

A summary of the actuarial methods and assumptions used in determining the total pension liability of FRS as of June 30, 2020 are as follows:

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal Cost
Expected Remaining Service Live	7 years, closed period
Investment rate of return	7.15% per annum(net of investment expenses, including inflation)

Inflation rate	2.50% per annum
Salary increases	Vary from 14.75% in the first two years of service to 4.50% after 25 years; includes inflation and merit increases
Cost of Living Adjustments	For the purpose of determining the present value of benefits COLAs were deemed not to be substantively automatic and only those previously granted were include.

The mortality rate assumption used was set based upon an experience study performed on plan data for the period July 1, 2009, through June 30, 2014. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. The RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2031 using Scale AA were selected for employee, annuitant, and beneficiary mortality. The RP-2000 Disabled Lives Mortality Table set back five years for males and set back three years for females was selected for disabled annuitants. Setbacks in these tables were used to approximate mortality improvement.

The estimated long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting and expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long term expected nominal rate of return was 7.94% as of June 30, 2019. Best estimates of real rates of return for each major asset class included in FRS' target asset allocation as of June 30, 2019 are summarized in the following table:

	Asset Type	Target Asset Allocation	Long-Term Expected Real Rate of Return
Equity	U.S. Equity	22.00%	5.98%
	Non-U.S. Equity	17.00%	7.52%
	Global Equity	10.00%	6.59%
Fixed Income	Fixed Income	31.00%	2.17%
Alternatives	Real Estate	6.00%	4.14%
	Private Equity	4.00%	10.52%
Multi-Asset Strategies	Global Tactical Asset Allocation	5.00%	4.37%
	Risk Parity	5.00%	4.67%
		100.00%	

Discount Rate: The discount rate used to measure the total pension liability was 7.15%. This was a decrease of .15% from the discount rate used in the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the FRS's actuary. Based on those assumptions, FRS's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents FRS's net pension liability of the participating employers calculated using the discount rate of 7.15%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 6.15%, or one percentage point higher 8.15% than the current rate.

	1% Decrease 6.15%	Current Discount Rate 7.15%	1% Increase 8.15%
Net Pension Liability	$ 806,415	$ 556,890	$ 347,458

D. Louisiana State Employees' Retirement System (LASERS)

Plan Description: Certain employees of the Town are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Louisiana State Employees' Retirement System (LASERS). Section 401 of Title 11 of the Louisiana Revised Statutes (LA R.S. 11:401) grants to LASERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefits terms, investments, and funding of the plan. LSERS issues a publicly available financial report that can be obtained at www.lsers.net.

Benefits Provided: The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement: The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. The rank-and-file members hired prior to July 1, 2006, may either retire with full benefits at any age upon completing 30 years of credible service or at age 60 upon completing five to ten years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015, may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015, may retire at age 62 upon completing five years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service.

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement throughout their life, with certain benefits being paid to their designated beneficiary after their death.

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with twelve years of creditable service at age 55, 25 years of creditable service at any age or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

Act 226 of the 2014 Louisiana Regular Legislative Session established new retirement eligibility for members of LASERS hired on or after July 1, 2015, excluding hazardous duty plan members. Regular members and judges under the new plan are eligible to retire at age 62 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment. Members in the regular plan will receive a 2.5% accrual rate, and judges a 3.5% accrual rate, with the extra 1.0% accrual rate based on all years of service as a judge.

A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirement, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification.

Deferred Retirement Benefits: The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

Disability Benefits: Active members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age.

Upon reaching retirement age, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees.

For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation.

Survivor Benefits: Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased regular member hired before January 1, 2011 who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child. The deceased regular member hired on or after January 1, 2011, must have a minimum of five years of service credit regardless of when earned in order for a benefit to be paid to a minor child. The aforementioned minimum service credit requirements for a surviving spouse are 10 years, 2 years being earned immediately prior to death, and active state service at the time of death, or a minimum of 20 years of service credit regardless of when earned. A deceased member's spouse must have been married for at least one year before death.

Permanent Benefit Increases/Cost-of-Living Adjustments: As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs) that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

Contributions: Contribution requirements of active employees are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (LA R.S. 11:401) and may be amended by the Louisiana Legislature. Employee and employer contributions are deducted from a member's salary and remitted to LASERS by participating employers. The rates in effect during the year ended June 30, 2019 for the various plans follow:

Plan	Plan Status ORP	Employer Contribution Rate
Regular Employees		
Pre Act 75 (hired before 07/01/06)	Closed	37.90%
Pre Act 75 (hired on or after 07/01/06)	Closed	37.90%
Pre Act 75 (hired on or after 01/01/11)	Closed	37.90%
Pre Act 75 (hired on or after 07/01/15)	Open	37.90%
Optional Retirement Plan (ORP)		
Pre Act 75 (hired before 07/01/06)	Closed	37.90%
Pre Act 75 (hired after 06/30/06)	Closed	37.90%
Hazardous Duty	Open	38.50%

The agency's contractually required composite contribution rate for the year ended June 30, 2019 was 37.90% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the Town totaled $4,772 for the year ended June 30, 2020.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2020, the Town reported a liability of $44,918 for its proportionate share of the LASERS net pension liability. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the Net Pension Obligation was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the Town's proportion was 0.001%, which was equivalent to its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the Town recognized pension expense of $5,641.

At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	$ 276	$ 93
Change in assumptions	385	-
Change in proportion and differences between the employer's contributions and proportionate share of contributions	30	72
Net difference between projected and actual earnings on pension plan investments	1,552	-
Contributions subsequent to the measurement date	4,991	-
Total	$ 7,234	$ 165

Deferred outflows of resources related to pensions of $4,991 resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (benefit) as follows:

Year Ended June 30:	
2021	$ 1,555
2022	(488)
2023	427
2024	584
	$ 2,078

Contributions – Proportionate Share: Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense using the straight line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the Schedule of Pension Amounts by Employer due to differences that could arise between contributions reported by the System and contributions reported by the participating employer.

Actuarial Assumptions: The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2020 are as follows:

Valuation Date	June 30, 2019
Actuarial cost method	Entry Age Normal Cost
Actuarial Assumptions:	
Excepted remaining service lives	2 years
Investment rate of return	7.60% per annum
Inflation rate	2.5% per annum
Mortality rates	Non-disabled members - Mortality rates based on the RP-2014 Healthy Mortality Table with motality improvement projected using the MP-2018 Mortality Impovements Scale, applied on a fully basis. Disabled members - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.

Termination, Disability and Retirement	Termination, disability, and retirement assumptions were projected bassed on a five year (2014-2018) experience study if the System's members for 2019.
Salary increases	Salary increases were projected based on a 2014-2018 experience study of the System's members. The salary increase ranges for specific types of members are:

Member Type	Lower Range	Upper Range
Regular	3.2%	13.0%
Judges	2.8%	5.3%
Corrections	3.8%	14.0%
Hazardous Duty	3.8%	14.0%
Wildlife	3.8%	14.0%

Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

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 expense 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 of 2.5% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 9.00% for 2019. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2019 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Cash	0.24%
Domestic equity	4.83%
International equity	5.83%
Domestic Fixed Income	2.79%
International Fixed Income	4.49%
Alternative Investments	8.32%
Risk Parity	5.06%
Total	6.09%

Discount Rate: The discount rate used to measure the total pension liability was 7.6%. This was a decrease of .05% from the discount rate used in the previous year. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current active plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 7.6%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.6%) or one percentage-point higher (8.6%) than the current rate:

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Net Pension Liability	$ 56,693	$ 44,918	$ 34,973

Pension Plan Fiduciary Net Positions: Detailed information about the pension plan's fiduciary net position is available in the separately issued LASERS 2019 Comprehensive Annual Financial Report at www.lasersonline.org.

(8) Litigation and Claims

At June 30, 2020, the Town is a defendant in pending litigation. While damages are alleged, their outcome cannot be predicted with certainty.

(9) Risk Management

The Town is exposed to risks of loss in the areas of general and auto liability, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

(10) Interfund Transactions

A. Interfund transfers consisted of the following at June 30, 2020:

	Transfers In	Transfers Out
Major governmental funds:		
General fund	$ 777,389	$ 53,374
Sales Tax Fund	-	403,733
Total governmental funds	777,389	457,107
Propriety Funds:		
Water System Fund	-	374,354
Sewer System Fund	54,072	-
Total proprietary funds	54,072	374,354
Total	$ 831,461	$ 831,461

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the different funds to finance various programs accounted for in other funds in accordance with budgetary authorizations.

B. A summary of interfund receivables and payables at June 30, 2020 follows:

	Interfund Receivables	Interfund Payables
Major governmental funds:		
General Fund	$ 9,438	$ -
Sales Tax Fund	-	9,438
Total	$ 9,438	$ 9,438

The above amounts are for reimbursements owed for expenditures paid for those funds and for short term loans.

(11) Compensation Benefits and Other Payments to Mayor

A detail of compensation, benefits and other payments made to Mayor Bruce Coulon for the year ended June 30, 2020 as follows:

Purpose	Amount
Salary	$ 24,960
Benefits - retirement	7,363
Expense allowance	1,200
Reimbursements	56
	$ 33,579

(12) Compensation of Town Officials

A detail of compensation paid to the Board of Aldermen for the year ended June 30, 2020 as follows:

Travis Armand	$ 4,200
Bill Longoria	4,200
Brenda Sampson	4,200
Greg Prudhomme	4,200
Lem Thomas	4,200
	$ 21,000

(13) Post-Retirement Health Care and Life Insurance Benefits (OPEB)

Plan Description: The Town of Bunkie provides continuing health care benefits for retired employees who have reached normal retirement age while employed by the Town. The program is a multiple employer defined health plan administered by Risk Management through the Louisiana Municipal Association. The Mayor and Town Council have the authority to establish and amend the benefit provisions of the plan. The plan does not issue a publicly available financial report.

Postemployment Benefit Plan Eligibility Requirements: An employee is eligible to elect medical coverage upon retiring or disability. Eligibility is based on a minimum of ten years of service with one reaching the age of sixty and twenty-five years of service at any age. Spouses of retiring members are also eligible for health and life benefits under the program; however, they are responsible for the full cost of coverage.

Monthly retiree contributions: Below are the total monthly retiree premiums as determined by The Town.

2019	Retiree + Spouse
Pre-65	$ 711.71
Post-65	$ 196.40

Employees covered by benefit terms: At June 30, 2020, the following employees were covered by the benefit terms: 33 active participants, and 6 retirees.

The Town's total OPEB liability of $986,282 was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019, calculated based on the following discount rate and actuarial assumptions.

The employer does not pre-fund benefits. The current funding policy is to pay benefits directly from general assets on a pay-as-you-go basis and there is not a trust for accumulating plan assets.

The following actuarial methods and assumptions were used in the July 1, 2019 accounting valuation.

Valuation Timing	The most recent valuation was performed as of July 1, 2019.
Measurement date	June 30, 2020
Actuarial cost method	Entry Age Normal
Inflation	2.20%
Salary increases	3.80%
Discount Rate	2.21% (based on the Bond Buyer's 20-year bond general obligation index)
Health Care Cost Trend Rates	
Pre-65	6.6% gradually decreasing to an ultimate rate of 3.7% for 2073 and beyond.
Post-65	3.7% gradually fluctuating to an ultimate rate of 3.7% for 2073 and beyond.
Mortality Rates:	Pre-retirement – PUB-2010 General Employees Amount Weighted Table with Mortality Improvement Scale MP-2020 on a generational basis with healthy annuitant rates after benefit commencement. Post-retirement – PUB-2010 General Retirees Amount-Weighted Table with Mortality Improvement Scale MP-2020 on a generational basis. Disability retirement – PUB-2010 General Disabled Retirees Amount-Weighted Table with Mortality Improvement Scale MP-2020 on a generational basis. Survivor – PUB-210 Contingent Survivors Amount-Weighted Table with Mortality Improvement Scale MP-2020 on a generational basis.

The plan has not had a formal actuarial experience study performed.

Actuarial Cost Method: The actuarial cost method determines, in a systematic way, the incidence of plan sponsor contributions required to provide plan benefits. It also determines how actuarial gains and losses are recognized in OPEB costs. These gains and losses result from the difference between the actual experience under the plan and what was anticipated by the actuarial assumptions.

The cost of the Plan is derived by making certain specific assumptions as to rates of interest, mortality, turnover, etc. which are assumed to hold for many years into the future. Since actual experience may differ somewhat from the long-term assumptions, the costs determined by the valuation must be regarded as estimates of the true costs of the Plan.

The actuarial cost method used for determining the benefit obligations is the Entry Age Normal Cost Method. Under this method a projected retirement benefit at assumed retirement age is computed for each participant using anticipated future pay increases. The normal cost for each participant is computed as the level percentage of pay which, if paid from each participant's date of employment by the employer or any predecessor employer (thus, entry age) to his assumed retirement date, would accumulate with interest at the rate assumed in the valuation to an amount sufficient to fund his projected retirement benefit. The normal cost for the plan is the total of the individually computed normal costs for all participants including the costs for any death or disability benefits under the plan.

The accrued liability at any point in time for an active participant is the theoretical fund that would have been accumulated on his behalf from his normal cost payments and the earnings thereon for all prior years if the plan had always been in effect. For persons receiving benefits or entitled to a deferred vested retirement income, the accrued liability cost is equal to the present value of their future benefit payments. The accrued liability for the plan is the total of the individually computed accrued liability for all participants. The unfunded accrued liability for the plan is the excess of the accrued liability over the assets which have been accumulated for the plan.

It should be noted that the accrued liability as of any date is not the actuarially computed present value of accrued or accumulated plan benefits as of that date. The accrued liability is the portion of the ultimate cost assigned to prior years by the cost method being used.

Changes in actuarial methods since prior valuation: The actuarial cost method has not changed since the prior year valuation.

In addition to the actuarial method used, actuarial cost estimates depend to an important degree on the assumptions made relative to various occurrences, such as rate of expected investment earnings by the fund, rates of mortality among active and retired employees, rates of termination from employment, and retirement rates.

The following presents changes in the total OPEB liability.

Balance, beginning of year	$ 1,464,508
Changes for the year:	
Service cost	54,284
Interest on total OPEB liability	52,548
Effect of economic/demographic gains or losses	(133,555)
Effect of assumptions, changes, or inputs	(416,351)
Benefit payments	(35,152)
Net changes	(478,226)
Balance, end of year	$ 986,282

There have been no significant changes between the valuation date and the fiscal year end.

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the Town of Bunkie, calculated using the discount rate of 2.21%, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate.

	1% Decrease 1.21%	Current Discount Rate 2.21%	1% Increase 3.21%
Total OPEB liability	$ 1,149,286	$ 986,282	$ 856,181

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates: The following presents the total OPEB liability of the Town of Bunkie, calculated using the current healthcare cost trend rates as well as what the Town's total OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates.

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	$ 813,005	$ 986,282	$ 1,216,898

For the year ended June 30, 2020, the Town recognized OPEB expense of $51,866.

At June 30, 2020, the Town reported deferred inflows and outflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experiences	$ 175,327	$ 114,198
Changes of assumptions	44,529	446,735
Total	$ 219,856	$ 560,933

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized in OPEB expense as follows:

Year Ended June 30,	
2021	$ (19,814)
2022	(24,267)
2023	(65,878)
2024	(79,697)
2025	(79,697)
2026	(71,724)
	$ (341,077)

(14) On-Behalf Payment of Salaries

The State of Louisiana paid the Town's policemen and firemen $40,067 of supplemental pay during the year ended June 30, 2020. Such payments are recorded as intergovernmental revenues and public safety expenditures in the government-wide and General Fund financial statements.

(15) New accounting Pronouncements

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, Fiduciary Activities. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how these activities should be reported. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhance the value provided by the information reported in financial statements for assessing government accountability and stewardship. The provisions of GASB Statement No. 84 are effective for fiscal years beginning after December 15, 2019. The effect of implementation on the Town's financial statements has not yet been determined.

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, Leases. The statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions of GASB Statement No. 87 are effective for fiscal years beginning after June 15, 2021. The effect of implementation on the Town's financial statements has not yet been determined.

REQUIRED
SUPPLEMENTARY INFORMATION

TOWN OF BUNKIE, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2020

	Budget			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues:				
Taxes -				
Property taxes	$ 93,000	$ 92,657	$ 96,173	$ 3,516
Sales	560,810	477,654	553,493	75,839
Franchise fees	174,000	164,072	170,570	6,498
Other	27,250	23,170	23,186	16
Fees and Fines	40,000	64,213	67,740	3,527
Licenses and permits	170,800	117,937	147,619	29,682
Intergovernmental	265,600	334,383	409,394	75,011
Other	124,776	132,712	164,754	32,042
Total revenues	1,456,236	1,406,798	1,632,929	226,131
Expenditures:				
General government -				
Finance and administrative	532,510	656,600	611,619	44,981
Judicial	57,620	63,516	60,218	3,298
Public safety -				
Fire protection	487,262	549,332	539,264	10,068
Police protection	717,336	588,688	580,107	8,581
Animal control	23,005	19,651	15,822	3,829
Public works -				
Streets	450,333	547,441	479,801	67,640
Airport	6,500	28,670	22,348	6,322
Drivers license office	11,540	47,858	22,954	24,904
Culture and recreation	31,300	35,104	21,868	13,236
Health and welfare	2,375	3,618	2,831	787
Capital expenditures	26,500	326,195	114,197	211,998
Debt service -				
Lease payments	54,000	64,912	64,912	-
Total expenditures	2,400,281	2,931,585	2,535,941	395,644
Deficiency of revenues over expenditures	(944,045)	(1,524,787)	(903,012)	621,775
Other financing sources (uses):				
Operating transfers in	945,333	770,102	777,389	7,287
Operating transfers out	-	-	(53,374)	(53,374)
Proceeds from the sale of capital assets	-	-	1,802	1,802
Proceeds from capital lease	-	75,983	-	(75,983)
Total other financing sources	945,333	846,085	725,817	(120,268)
Net change in fund balance	1,288	(678,702)	(177,195)	501,507
Fund balance, beginning	1,007,683	1,007,683	1,007,683	-
Fund balance, ending	$ 1,008,971	$ 328,981	$ 830,488	$ 501,507

TOWN OF BUNKIE, LOUISIANA
Sales Tax Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2020

	Budget Original	Budget Final	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes -				
Sales	$ 560,811	$ 477,654	$ 556,699	$ 79,045
Miscellaneous	-	285	316	31
Total revenues	560,811	477,939	557,015	79,045
Expenditures:				
General government -				
Finance and administrative	63,475	71,630	55,016	16,614
Public works -				
Streets	20,800	57,224	55,400	1,824
Capital outlay	1,000	1,000	-	1,000
Debt service -				
Lease payments	22,820	24,053	23,992	61
Total expenditures	108,095	153,907	134,408	19,499
Excess of revenues over expenditures	452,716	324,032	422,607	98,544
Other financing sources (uses):				
Operating transfers out	(450,333)	(397,451)	(403,733)	(6,282)
Net change in fund balance	2,383	(73,419)	18,874	92,262
Fund balance, beginning	190,788	190,788	190,788	-
Fund balance, ending	$ 193,171	$ 117,369	$ 209,662	$ 92,262

TOWN OF BUNKIE, LOUISIANA

Schedule of Changes in Total OPEB Liability and Related Ratios
For the Year Ended June 30, 2020

	2018	2019	2020
Changes for the year:			
Service cost	$ 57,067	$ 46,028	$ 54,284
Interest on total OPEB liability	38,561	52,246	52,548
Changes of benefit terms	-	-	-
Effect of economic/demographic gains or (losses)	452,162	-	(133,555)
Effect of assumptions, changes, or inputs	(233,975)	75,239	(416,351)
Benefit payments	(33,828)	(25,808)	(35,152)
Net change in total OPEB liability	279,987	147,705	(478,226)
Total OPEB liability, beginning	1,036,816	1,316,803	1,464,508
Total OPEB liability, ending *	$ 1,316,803	$ 1,464,508	$ 986,282
Covered payroll	$ 1,273,877	$ 1,234,076	$ 1,157,284
Total OPEB liability as a % of covered payroll	103.37%	118.67%	85.22%

* Equal to net OPEB liability

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

TOWN OF BUNKIE, LOUISIANA

Schedule of Employer's Share of Net Pension Liability
For the Year Ended June 30, 2020

* Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Municipal Employees' Retirement System					
2020	0.265%	$ 1,107,813	$ 478,575	231.5%	66.14%
2019	0.252%	$ 1,045,264	$ 460,881	226.8%	65.60%
2018	0.241%	$ 1,009,355	$ 438,173	230.4%	63.49%
2017	0.240%	$ 982,275	$ 421,616	233.0%	62.11%
2016	0.255%	$ 910,796	$ 435,171	209.3%	66.18%
2015	0.229%	$ 587,244	$ 481,053	122.1%	73.99%
Municipal Police Employees' Retirement System					
2020	0.021%	$ 190,243	$ 73,015	260.6%	71.01%
2019	0.051%	$ 429,365	$ 149,884	286.5%	71.89%
2018	0.061%	$ 531,892	$ 179,092	297.0%	70.08%
2017	0.062%	$ 581,012	$ 188,072	308.9%	66.04%
2016	0.058%	$ 452,716	$ 153,730	294.5%	70.73%
2015	0.044%	$ 277,964	$ 186,555	149.0%	75.10%
Firefighter's Retirement System					
2020	0.089%	$ 556,890	$ 215,825	258.0%	73.96%
2019	0.062%	$ 354,547	$ 146,842	241.4%	74.76%
2018	0.062%	$ 357,352	$ 145,567	245.5%	73.55%
2017	0.067%	$ 435,363	$ 150,152	289.9%	68.16%
2016	0.066%	$ 358,855	$ 141,306	254.0%	72.45%
2015	0.076%	$ 339,978	$ 156,269	217.6%	76.02%
Louisiana State Employees' Retirement System					
2020	0.001%	$ 44,918	$ 11,954	375.8%	62.90%
2019	0.001%	$ 43,375	$ 11,954	362.8%	64.30%
2018	0.001%	$ 47,160	$ 11,954	394.5%	62.50%
2017	0.001%	$ 51,199	$ 11,630	440.2%	57.70%
2016	0.001%	$ 45,230	$ 11,670	387.6%	62.70%
2015	0.001%	$ 39,582	$ 11,385	347.7%	65.00%

* The amounts presented have a measurement date of the previous fiscal year end.

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

TOWN OF BUNKIE, LOUISIANA

Schedule of Employer Contributions
For the Year Ended June 30, 2020

Year ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
Municipal Employees' Retirement System					
2020	$ 150,009	$ 150,009	$ -	$ 540,572	27.75%
2019	$ 124,430	$ 124,430	$ -	$ 478,575	26.00%
2018	$ 114,068	$ 114,068	$ -	$ 460,881	24.75%
2017	$ 99,684	$ 99,684	$ -	$ 438,173	22.75%
2016	$ 83,271	$ 83,271	$ -	$ 421,626	19.75%
2015	$ 85,946	$ 85,946	$ -	$ 435,171	19.75%
Municipal Police Employees' Retirement System					
2020	$ 23,998	$ 23,998	$ -	$ 73,839	32.50%
2019	$ 23,547	$ 23,547	$ -	$ 73,015	32.25%
2018	$ 46,089	$ 46,089	$ -	$ 149,884	30.75%
2017	$ 57,746	$ 57,746	$ -	$ 179,092	32.24%
2016	$ 59,243	$ 59,243	$ -	$ 188,072	31.50%
2015	$ 48,425	$ 48,425	$ -	$ 153,730	31.50%
Firefighter's Retirement System					
2020	$ 60,845	$ 60,845	$ -	$ 219,261	27.75%
2019	$ 57,194	$ 57,194	$ -	$ 215,825	26.50%
2018	$ 38,913	$ 38,913	$ -	$ 146,842	26.50%
2017	$ 36,756	$ 36,756	$ -	$ 145,567	25.25%
2016	$ 40,916	$ 40,916	$ -	$ 150,152	27.25%
2015	$ 41,332	$ 41,332	$ -	$ 141,306	29.25%
Louisiana State Employees' Retirement System					
2020	$ 4,991	$ 4,991	$ -	$ 11,954	41.75%
2019	$ 4,662	$ 4,662	$ -	$ 11,954	39.00%
2018	$ 4,734	$ 4,734	$ -	$ 11,954	39.60%
2017	$ 4,387	$ 4,387	$ -	$ 11,954	36.70%
2016	$ 4,920	$ 4,920	$ -	$ 11,630	42.30%
2015	$ 4,318	$ 4,318	$ -	$ 11,670	37.00%

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Notes to the Required Supplementary Information
Year Ended June 30, 2020

(1) Retirement Systems

A. Changes in Benefit Terms

There were no changes in benefit terms.

B. Changes in Assumptions

Year ended June 30,	Discount Rate	Investment Rate of Return	Inflation Rate	Expected Remaining Service lives	Projected Salary Increase
*** Municipal Employee's Retirement System of Louisiana (MERS)**					
2015	7.750%	7.750%	3.000%	3	2.750%
2016	7.500%	7.500%	2.875%	3	2.125%
2017	7.500%	7.500%	2.875%	3	2.125%
2018	7.400%	7.400%	2.775%	3	2.225%
2019	7.275%	7.275%	2.600%	3	2.400%
2020	7.000%	7.000%	2.500%	3	4.5% - 6.4%
*** Municipal Employees Police Retirement System of (MPERS)**					
2015	7.750%	7.750%	3.000%	4	4% - 10%
2016	7.500%	7.500%	2.875%	4	4.25% - 9.75%
2017	7.500%	7.500%	2.875%	4	4.25% - 9.75%
2018	7.325%	7.325%	2.700%	4	4.25% - 9.75%
2019	7.200%	7.200%	2.600%	4	4.25% - 9.75%
2020	7.125%	7.125%	2.500%	4	4.25% - 9.75%
*** Firefighters Retirement System of Louisiana**					
2015	7.750%	7.750%	3.000%	7	5.50%- 15.0%
2016	7.500%	7.500%	2.875%	7	4.75%- 15.0%
2017	7.500%	7.500%	2.875%	7	4.75%- 15.0%
2018	7.400%	7.400%	2.775%	7	4.75%- 15.0%
2019	7.300%	7.300%	2.700%	7	4.75%- 15.0%
2020	7.150%	7.150%	2.500%	7	4.50% - 14.75%
*** Louisiana State Employees' Retirement System (LASERS)**					
2015	7.750%	7.750%	3.000%	3	3.0% - 14.5%
2016	7.750%	7.750%	3.000%	3	3.0% - 14.5%
2017	7.750%	7.750%	3.000%	3	3.6% - 14.5%
2018	7.700%	7.700%	2.750%	3	2.8% - 14.3%
2019	7.650%	7.650%	2.750%	3	2.8% - 14.3%
2020	7.600%	7.600%	2.500%	2	2.8% - 14.0%

** The amounts presented have ameasurement date of the previous June 30.*

(2) Budget and Budgetary Accounting

The Town Charter establishes the fiscal year as the twelve-month period beginning July 1. The procedures detailed below are followed in establishing the budgetary data reflected in the financial statements.

The Mayor and Town Clerk prepare a proposed budget based on an estimate of the revenues expected to be received in the next fiscal year and submits the proposal to the Board of Aldermen. A summary of the proposed Budget is published, and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is set.

A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.

As required by state law, the budgets are amended whenever projected revenue fails to meet original expectations or when projected expenditures exceed original expectations. Budgetary amounts are presented as amended and all budgetary appropriations lapse at the end of the fiscal year.

(3) Other Post-Employment Benefits

Benefit Changes -
There were no significant changes in benefit terms or assumptions during the periods presented.

Changes of Assumptions –
The discount rate decreased to 2.21% at June 30, 2020 from 3.50% used at June 30, 2019.

The inflation rate decreased to 2.20% at June 30, 2020 from 2.30% at June 30, 2019.

No assets are accumulated in a trust that meets the criteria in GASB 75 to pay related benefits.

INTERNAL CONTROL, COMPLIANCE AND OTHER MATTERS

KOLDER, SLAVEN & COMPANY, LLC

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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*

The Honorable Bruce Coulon, Mayor
and Members of the Board of Aldermen
Town of Bunkie, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Bunkie, Louisiana (the Town) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated March 29, 2021.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Town'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 current and prior year audit findings and managements corrective action plan as items 2020-001 through 2020-005 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matter that are required to be reported under *Government Auditing Standards.*

Town of Bunkie, Louisiana's Response to Audit Findings

The Town's response to the finding identified in our audit is described in the accompanying schedule of current and prior year audit finding and corrective action plan. The Town'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

This 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 Town'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 Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Alexandria, Louisiana
March 29, 2021

TOWN OF BUNKIE, LOUISIANA

Schedule of Current and Prior Year Audit Findings
And Management's Corrective Action Plan
Year Ended June 30, 2020

Part I: Current Year Findings and Management's Corrective Action Plan

A. Internal Control Over Financial Reporting

2020-001 Application of Generally Accepted Accounting Principles (GAAP)

Fiscal year finding initially occurred: 2007

CONDITION: Management and staff lack the expertise and/or experience in the selection and application of generally accepted accounting principles, as applicable to governmental entities in the financial statement preparation process.

CRITERIA: The Town's internal control over financial reporting includes policies and procedures that pertain to its ability to record, process, summarize, and report financial data consistent with the assertions embodied in the financial statements, including the ability of management and staff to detect potential misstatements that may exist in the financial statements and related disclosures."

CAUSE: The cause of the condition results from a reliance on the external auditor as part of the internal control process.

EFFECT: Financial statements and related supporting transactions may reflect a departure from generally accepted accounting principles.

RECOMMENDATION: Management should evaluate the additional costs required to achieve the desired benefit and determine if it is economically feasible in relation to the benefit received.

MANAGEMENT'S CORRECTIVE ACTION PLAN: We evaluated the cost vs. benefit of establishing enhanced internal controls over financial statement preparation and determined that it would not be cost effective to enhance these controls. Currently, our financial staff receive annual training related to their job duties and we carefully review the financial statements, related notes, and proposed adjustments. All questions are adequately addressed by our auditors which allows us to appropriately supervise these functions. We feel the appropriate steps have been taken to reduce the financial statement risk related to this finding.

Schedule of Current and Prior Year Audit Findings
And Management's Corrective Action Plan
Year Ended June 30, 2020

2020-002 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: 2015

CONDITION: The Town of Bunkie did not have adequate segregation of functions within the accounting system.

CRITERIA: AU-C §315.04, *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement*, defines internal control as follows:

> "Internal control is a process, affected by those charged with governance, management, and other personnel, designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations."

CAUSE: The cause of the condition is the fact that the Town does not have a sufficient number of staff performing administrative and financial duties so as to provide adequate segregation of accounting and financial duties.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Management should reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recordkeeping; and (4) reconciliation.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Town concurs with the audit finding. Due to the size of staffing, the achievement of adequate segregation of duties is desirable, but cost prohibitive. All efforts are made to segregate duties where feasible. In an effort to establish more sound controls the Town monitors activity and balances in all fund accounts.

Schedule of Current and Prior Year Audit Findings
And Management's Corrective Action Plan
Year Ended June 30, 2020

2020-003 Policies and procedures

Fiscal year finding initially occurred: 2015

CONDITION: The Town did not adopt written policies and procedures for confiscated evidence and traffic tickets.

CRITERIA: Written policies and procedures are necessary to provide a clear understanding of day-to-day operations.

CAUSE: The Town of Bunkie has not properly documented policies and procedures that should be followed for the areas of day to day operations above.

EFFECT: Failure to have written policies and procedures increases the risk of not having continuity of operations and the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Management should adopt formal written policies and procedures for each of the functions noted above.

MANAGEMENT'S CORRECTIVE ACTION PLAN: Administration is in the process of drafting a formal, written policy and procedure manual to establish guidelines that will be followed for all operations.

2020-004 Traffic Tickets

Fiscal year finding initially occurred: 2015

CONDITION: The Chief of Police is not ensuring that all tickets and citations are accounted for in accordance with La R.S. 32:398.2

CRITERIA: La R.S. 32:398.2

CAUSE: The Bunkie Police Department has not accounted for all tickets and citations.

EFFECT: Failure to account for all tickets and citations increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: The Chief of Police should ensure that all tickets and citations are accounted for in accordance with LA R.S. 32:398.2.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Police Department has a software program for traffic tickets and citations. All ticket information is entered into the software. Police personnel are unable to print a report to assure all tickets are accounted for. The Chief of Police will work with the program to ensure all tickets are accounted for and reported.

2020-005 Utility Accounts Receivable and Customer Deposits Subsidiary Ledger

Fiscal year finding initially occurred: 2018

CONDITION: The Town is not maintaining an accurate subsidiary ledger for utility accounts receivables and customer deposits, and the subsidiary ledgers are not being reconciled to the meter cash account balances and general ledger accounts.

CRITERIA: Internal controls should be in place to reconcile the subsidiary ledgers for utility accounts receivable and customer deposits to the general ledger and meter cash account to ensure all activity is properly recorded.

CAUSE: The cause of the condition is the fact that the Town is not reconciling the accounts receivables and customer deposit subsidiary ledgers to the general ledgers on a reoccurring basis.

EFFECT: Failure to reconcile these subsidiary ledgers could result in cash missing and customers not receiving proper credit on billings and their deposits.

RECOMMENDATION: The accounts receivable and customer deposit subsidiary ledgers should be reconciled to the cash account and general ledger on a monthly basis.

MANAGEMENT'S CORRECTIVE ACTION PLAN: Management of the Town of Bunkie will review procedures related to the collections and recording of utility receivables and customer deposits and implement the proper procedures to reconcile the subsidiary ledgers on a monthly basis.

B. Compliance and other matters

None reported.

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

2019-001 Application of Generally Accepted Accounting Principles (GAAP)

CONDITION: The Town of Bunkie does not have adequate internal controls over recording the entity's financial transactions or preparing its financial statements, including the related notes in accordance with generally accepted accounting principles (GAAP).

RECOMMENDATION: Management should evaluate the additional costs required to achieve the desired benefit and determine if it is economically feasible in relation to the benefit received.

CURRENT STATUS: Unresolved. See item 2020-001.

2019-002 Inadequate Segregation of Accounting Functions

CONDITION: The Town of Bunkie did not have adequate segregation of functions within the accounting system.

RECOMMENDATION: Management should reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recordkeeping; and (4) reconciliation.

CURRENT STATUS: Unresolved. See item 2020-002.

2019-003 Policies and procedures

CONDITION: The Town did not adopt written policies and procedures for confiscated evidence and traffic tickets.

RECOMMENDATION: Management should adopt formal written policies and procedures for each of the functions noted above.

CURRENT STATUS: Unresolved. See item 2020-003.

TOWN OF BUNKIE, LOUISIANA

Schedule of Current and Prior Year Audit Findings
And Management's Corrective Action Plan
Year Ended June 30, 2020

2019-004 Traffic Tickets

CONDITION: The Chief of Police is not ensuring that all tickets and citations are accounted for in accordance with La R.S. 32:398.2

RECOMMENDATION: The Chief of Police should ensure that all tickets and citations are accounted for in accordance with LA R.S. 32:398.2.

CURRENT STATUS: Unresolved. See item 2020-004.

2019-005 Utility Accounts Receivable and Customer Deposits Subsidiary Ledger

CONDITION: The Town is not maintaining an accurate subsidiary ledger for utility accounts receivables and customer deposits, and the subsidiary ledgers are not being reconciled to the meter cash account balances and general ledger accounts.

RECOMMENDATION: The accounts receivable and customer deposit subsidiary ledgers should be reconciled to the cash account and general ledger on a monthly basis.

CURRENT STATUS: Unresolved. See item 2020-005.

C. Compliance and other matters

No findings to be reported.