

TOWN OF LECOMPTE

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



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December 8, 2021

Independent Auditors' Report

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

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

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

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



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Town of Lecompte
December 8, 2021

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

OTHER MATTERS

Required Supplementary Information

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

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

Such information, although not a part of the basic financial statements, is required by the 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 response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplemental Information

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

- Combining Balance Sheet – Non-Major Governmental Funds
- Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Non-Major Governmental Funds
- Schedule of Per Diem Paid to Board Members
- Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer
- Justice System Funding Schedule – Collecting/Disbursing Entity

The Other Supplemental Information is the responsibility of management, and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Other Supplemental Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARD

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2021 on our consideration of the Town of Lecompte's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Lecompte's internal control over financial reporting and compliance.



ROZIER, McKAY & WILLIS
Certified Public Accountants



December 8, 2021

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

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

We were engaged to audit, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Lecompte, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Lecompte's basic financial statements, and have issued our report thereon dated December 8, 2021.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

As part of obtaining reasonable assurance about whether the Town of Lecompte'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 four instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2021-001, 2021-002, 2021-003, and 2021-004.



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TOWN OF LECOMPTE'S RESPONSE TO FINDINGS

The Town of Lecompte's response to the findings identified in our audit is described in the accompanying managements' corrective action plan described in the table of contents. The response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

PURPOSE OF THIS REPORT

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



ROZIER, MCKAY & WILLIS
Certified Public Accountants

Town of Lecompte

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

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

OVERVIEW OF FINANCIAL STATEMENTS

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

Government –Wide Financial Statements

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

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

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

Fund Financial Statements

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

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

Town of Lecompte

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

Financial Analysis of the Town as a Whole

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

Net Position

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

	For the Year Ended June 30, 2021			For the
	Govern- mental Activities	Business- Type Activities	Total	Year Ended June 30, 2020
<u>Assets:</u>				
Current and Other Assets	\$ 388,676	\$ 233,354	\$ 622,030	\$ 747,798
Internal Balances	(304,819)	304,819	----	----
Capital Assets	1,953,838	3,314,592	5,268,430	4,876,604
Total Assets	2,037,695	3,852,765	5,890,460	5,624,402
Deferred Outflow of Resources	57,110	----	57,110	85,329
<u>Liabilities:</u>				
Current and Other Liabilities	111,126	7,220	118,346	487,154
Long-term Liabilities	257,818	717,990	975,808	1,036,156
Total Liabilities	368,944	725,210	1,094,154	1,523,310
Deferred Inflow of Resources	61,776	----	61,776	113,464
<u>Net Position:</u>				
Invested in Capital Assets (Net)	1,871,703	2,596,602	4,468,305	4,052,657
Restricted	----	530,953	530,953	681,856
Unrestricted	(207,618)	----	(207,618)	(661,556)
Total Net Position	\$1,664,085	\$ 3,127,555	\$ 4,791,640	\$ 4,072,957

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

The Town's remaining net position is composed of restricted assets. These assets are unavailable for general expenses, as they must be used for their intended purposes.

Recognizing long-term liabilities associated with providing retirement benefits to the Town's employees has eliminated the Town's remaining unrestricted net position. Despite the absence of unrestricted net position, the Town has sufficient resources to meet these obligations for the foreseeable future.

Town of Lecompte

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

Changes in Net Position

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

	For the Year Ended June 30, 2021			For the Year Ended June 30, 2020
	Gov- ern- men- tal Acti- vities	Busi- ness- Type Acti- vities	Total	
<u>Revenues:</u>				
Program Revenue:				
Charges for Services	\$ 291,843	\$ 202,362	\$ 494,205	\$ 774,137
Operating Grants and Contributions	7,183	---	7,183	7,000
Capital Grants and Contributions	---	---	---	---
General Revenue:				
Property Taxes	37,835	---	37,835	35,940
Sales Taxes	644,965	---	644,965	507,244
Franchise Fees	62,499	---	62,499	64,069
Occupational Licenses	77,856	---	77,856	67,494
Intergovernmental	554,532	---	554,532	---
Other	16,823	---	16,823	20,545
Total Revenue	<u>1,693,536</u>	<u>202,362</u>	<u>1,895,898</u>	<u>1,476,429</u>
<u>Program Expenses:</u>				
General Government	264,782	---	264,782	303,096
Sanitation	86,203	---	86,203	85,069
Public Safety	408,277	---	408,277	436,644
Public Works	146,153	---	146,153	233,765
Culture and Recreation	56,568	---	56,568	90,681
Utility Service	2,819	193,715	196,534	189,293
Other	3,276	15,422	18,698	19,538
Total Expenses	<u>968,078</u>	<u>209,137</u>	<u>1,177,215</u>	<u>1,358,086</u>
Increase in Net Position Before				
Transfers	725,458	(6,775)	718,683	118,343
Transfers	100,000	(100,000)	---	---
Changes in Net Position	<u>825,458</u>	<u>(106,775)</u>	<u>718,683</u>	<u>118,343</u>
Net Position Beginning	<u>838,627</u>	<u>3,234,330</u>	<u>4,072,957</u>	<u>3,954,614</u>
Net Position Ending	<u>\$ 1,664,085</u>	<u>\$ 3,127,555</u>	<u>\$ 4,791,640</u>	<u>\$ 4,072,957</u>

Governmental activities increased the Town's net position by \$825,458. The increase is mainly attributable to an increase in reimbursements from the Rapides Parish Police Jury for maintaining streets and roadways within the Town's corporate limits.

Town of Lecompte

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2021

Business-type activities decreased the Town's net position by \$106,775, due primarily to an increase in a one-time transfer of monies from the Sewer Maintenance Fund to the General Fund.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

- The Town's governmental funds reported a combined fund deficit of \$26,706 which represents an increase of \$324,952 in comparison to the previous balance. The increase is primarily due to an increase in reimbursements from the Rapides Parish Police Jury for maintaining streets and roadways, but is offset by an increase in payroll related expenditures.
- The Town's general fund, which is available for spending at the Town's discretion, reported a fund deficit of \$138,022. The general fund balance increased by \$181,434 due to a decrease in expenditures across several departments.
- Amounts reported for business-type activities in the Town's individual funds are identical to the business-type activities reported in the government-wide presentation.

GENERAL FUND BUDGET HIGHLIGHTS

The Town's general fund and special revenue funds are required to adopt an annual budget and the budgets are amended as necessary. Some revisions to the original budgets were made to address revenues and related expenditures that were not anticipated when the original budget was prepared.

CAPITAL ASSET ADMINISTRATION

Capital Asset activity in the current year consisted of the purchase of new equipment for the street department, completion of the Virginia Street Bridge Repair project, and starting construction on the West Sugar Street project.

DEBT ADMINISTRATION

The Town continued payments on the Town's Series 2010 bonds and the Town's Sewer Revenue Bonds.

FACTORS EXPECTED TO AFFECT FUTURE OPERATIONS

At the present time, no events or conditions have been identified that are expected to have a significant influence on future operations.

Town of Lecompte

STATEMENT OF NET POSITION

June 30, 2021

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 272,529	\$ -	\$ 272,529
Receivables (net)	116,147	34,299	150,446
Restricted asset			
Cash	-	199,055	199,055
Internal balances	(304,819)	304,819	-
Capital assets			
Land	8,738	-	8,738
Construction in Process	204,882	-	204,882
Depreciable capital assets, net	1,740,218	3,314,592	5,054,810
Total assets	2,037,695	3,852,765	5,890,460
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension funding deferrals	57,110	-	57,110
<u>LIABILITIES</u>			
Accounts and other payables	110,563	7,220	117,783
Accrued interest	563	-	563
Long-term liabilities			
Net Pension Liability	161,157	-	161,157
Long-term Debt			
Compensated Absences	14,526	-	14,526
Due within one year	24,182	14,524	38,706
Due in more than one year	57,953	703,466	761,419
Total liabilities	368,944	725,210	1,094,154
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension funding deferrals	61,776	-	61,776
<u>NET POSITION</u>			
Invested in capital assets, net of related debt	1,871,703	2,596,602	4,468,305
Restricted:			
Sewer System Operations	-	530,953	530,953
Other purposes	-	-	-
Unrestricted	(207,618)	-	(207,618)
Total net position	\$ 1,664,085	\$ 3,127,555	\$ 4,791,640

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

Town of Lecompte

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

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenue</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants & Contributions</u>	
<u>Governmental Activities:</u>					
General Government	\$ 264,782	\$ -	\$ -	\$ -	\$ (264,782)
Sanitation	86,203	58,721	-	-	(27,482)
Public Safety	408,277	206,868	7,183	-	(194,226)
Public Works	146,153	26,254	-	-	(119,899)
Culture & Recreation	56,568	-	-	-	(56,568)
Other Expenditures	2,819	-	-	-	(2,819)
Interest on Long-Term Debt	3,276	-	-	-	(3,276)
Total Governmental Activities	<u>968,078</u>	<u>291,843</u>	<u>7,183</u>	<u>-</u>	<u>(669,052)</u>
<u>Business-Type Activities:</u>					
Sewer Sytem	193,715	202,362	-	-	8,647
Interest On Long-Term Debt	15,422	-	-	-	(15,422)
Total Business-Type Activities	<u>209,137</u>	<u>202,362</u>	<u>-</u>	<u>-</u>	<u>(6,775)</u>
Total	<u>\$ 1,177,215</u>	<u>\$ 494,205</u>	<u>\$ 7,183</u>	<u>\$ -</u>	<u>\$ (675,827)</u>

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

Town of Lecompte

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

	Governmental Activities	Business- Type Activities	Total
Net (Expense) Revenue (Continued From Previous Page)	\$ (669,052)	\$ (6,775)	\$ (675,827)
<u>General Revenues:</u>			
Taxes:			
Ad Valorem	37,835	-	37,835
Sales	644,965	-	644,965
Licenses & Permits			
Franchise Fees	62,499	-	62,499
Occupational Licenses	77,856	-	77,856
Intergovernmental	554,532	-	554,532
Other	16,823	-	16,823
Special Items	-		-
Transfers	100,000	(100,000)	-
Total General Revenues, Special Items and Transfers	<u>1,494,510</u>	<u>(100,000)</u>	<u>1,394,510</u>
Change in Net Position	825,458	(106,775)	718,683
Net Position Beginning	<u>838,627</u>	<u>3,234,330</u>	<u>4,072,957</u>
Net Position Ending	<u>\$ 1,664,085</u>	<u>\$ 3,127,555</u>	<u>\$ 4,791,640</u>

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

Town of Leconte

Balance Sheet

Governmental Funds - June 30, 2021

	General Fund	One Cent Sales Tax	Half-Cent Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and Cash Equivalents	\$ 110,653	\$ 67,070	\$ 87,459	\$ 7,347	\$ 272,529
Receivables (net)	92,698	15,634	7,815	-	116,147
Interfund Receivables	80,478	-	26,382	15,221	122,081
Total assets	\$ 283,829	\$ 82,704	\$ 121,656	\$ 22,568	\$ 510,757
Liabilities and Fund Balance					
Liabilities					
Accounts Payable	94,874	7,191	712	7,786	110,563
Interfund Payables	326,977	42,796	-	57,127	426,900
Total liabilities	421,851	49,987	712	64,913	537,463
Fund Balance					
Restricted For:					
Other Special Purposes	-	-	120,944	(42,345)	78,599
Unassigned	(138,022)	32,717	-	-	(105,305)
Total Fund Balances	(138,022)	32,717	120,944	(42,345)	(26,706)
Total Liabilities and Fund Balance	\$ 283,829	\$ 82,704	\$ 121,656	\$ 22,568	\$ 510,757

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

Town of Lecompte

Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Position of Governmental Activities on the Statement of Net Position Year Ended June 30, 2021

Total Fund Balances - Governmental Funds	\$ (26,706)
Amounts reported for governmental activities in the statement of net position are different because:	
Liabilities not due and payable in the current period are excluded from the Governmental Fund Balance Sheet	(258,381)
Deferred inflows of resources that do not meet criteria for inclusion in the Governmental Fund Balance Sheet	(61,776)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,953,838
Deferred outflows of resources that do not meet criteria for inclusion in the Governmental Fund Balance Sheet	<u>57,110</u>
Net Position of Governmental Activities	<u>\$ 1,664,085</u>

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

Town of Leconte

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

	General	One Cent	Half Cent	Other	Total
	Fund	Sales Tax	Fund	Governmental	Governmental
				Funds	Funds
Revenues:					
Taxes:					
Ad Valorem	\$ 37,835	\$ -	\$ -	\$ -	\$ 37,835
Sales	333,204	207,804	103,957	-	644,965
Licenses & Permits:	-	-	-	-	-
Franchise Fees	62,499	-	-	-	62,499
Occupational Licenses	77,856	-	-	-	77,856
Intergovernmental	590,507	12,880	-	-	603,387
Sanitation	58,721	-	-	-	58,721
Fines and Forfeitures	206,868	-	-	-	206,868
Operating Grants	-	-	-	-	-
Other	1,125	9	-	291	1,425
Total Revenues	1,368,615	220,693	103,957	291	1,693,556
Expenditures:					
Current:					
General Government					
General and Administrative	267,779	-	-	-	267,779
Sanitation	-	86,203	-	-	86,203
Public Safety	373,004	31,653	-	-	404,657
Public Works	-	-	-	-	-
Street Maintenance	109,084	-	-	-	109,084
Recreation Department	1,364	-	47,847	-	49,211
Other Expenditures	-	2,839	-	1	2,840
Capital Expenditures	535,950	-	-	-	535,950
Debt Service	-	-	-	12,880	12,880
Total Expenditures	1,287,181	120,695	47,847	12,881	1,468,604
Excess (Deficiency) of Revenues Over Expenditures	81,434	99,998	56,110	(12,590)	224,952

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

Town of Lecompte

Continued

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

	General Fund	One Cent Sales Tax	Half Cent Fund	Other Governmental Funds	Total Governmental Funds
Excess (Deficiency) of Revenues Over Expenditures	81,434	99,998	56,110	(12,590)	224,952
<u>Other Financing Sources (Uses):</u>					
Proceeds From Long-Term Debt	-	-	-	-	-
Operating Transfers In	100,000	-	-	12,880	112,880
Operating Transfers Out	-	(12,880)	-	-	(12,880)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>181,434</u>	<u>87,118</u>	<u>56,110</u>	<u>290</u>	<u>324,952</u>
Fund Balance (Deficit) Beginning	<u>(319,456)</u>	<u>(54,401)</u>	<u>64,834</u>	<u>(42,635)</u>	<u>(351,658)</u>
Fund Balance (Deficit) - End of Year	<u>\$ (138,022)</u>	<u>\$ 32,717</u>	<u>\$ 120,944</u>	<u>\$ (42,345)</u>	<u>\$ (26,706)</u>

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

Town of Leconte

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

Year Ended June 30, 2021

Net change in fund balances of Governmental Funds	\$ 324,952
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over estimated useful lives and reported as depreciation expense. The effect of capital expenditures, depreciation, and loss on disposals are presented as follows:	
Capital Expenditures	535,950
Depreciation	(104,479)
Loss on disposals	-
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures by governmental funds.	(157)
Governmental funds report pension expense based on contributions required for the current year; however, pension expense reported on the government wide basis is influenced by actuarial considerations.	59,588
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	9,604
Change in net position of governmental activities	<u>\$ 825,458</u>

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

Town of Lecompte

Statement of Net Position

Proprietary Funds - June 30, 2021

	<u>Sewer System</u>
<u>ASSETS:</u>	
Current Assets:	
Receivables (net)	\$ 34,299
Interfund receivables	<u>304,819</u>
Total current assets	339,118
Restricted Assets:	
Cash and cash equivalents	199,055
Noncurrent Assets:	
Construction in process	-
Depreciable capital assets, net	<u>3,314,592</u>
Total assets	<u><u>3,852,765</u></u>
 <u>LIABILITIES:</u>	
Current Liabilities:	
Accounts and other payables	7,220
Current portion of long-term debt	14,524
Noncurrent Liabilities:	
Long-term debt	<u>703,466</u>
Total liabilities	<u><u>725,210</u></u>
 <u>NET POSITION:</u>	
Invested in capital assets, net of related debt	2,596,602
Restricted for Sewer Operations	<u>530,953</u>
Total net position	<u><u>\$ 3,127,555</u></u>

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

Town of Lecompte

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

	Sewer System
<u>Operating Revenues:</u>	
Service Fees	202,362
Other Income	\$ -
Total Operating Revenues	<u>202,362</u>
<u>Operating Expenses:</u>	
Legal and Professional	5,080
Outside Services	4,031
Repairs & Maintenance	92,327
Supplies & Chemicals	8,961
Utilities	43,671
Depreciation	39,645
Total Operating Expenses	<u>193,715</u>
Operating Income (Loss)	8,647
<u>Nonoperating Revenues (Expenses):</u>	
Interest Revenue	
Interest Expense	<u>(15,422)</u>
Change in Net Position Before Contributions and Transfers	(6,775)
<u>Contributions and Transfers:</u>	
Operating Transfers In	<u>(100,000)</u>
Change in Net Position	(106,775)
Total Net Position Beginning	<u>3,234,330</u>
Total Net Position - Ending	<u>\$ 3,127,555</u>

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

Town of Lecompte

Statement of Cash Flows

Proprietary Funds - Year Ended June 30, 2021

	<u>Sewer System</u>
<u>Cash flow from operating activities:</u>	
Cash received from customers	\$ 204,342
Cash payments to suppliers of goods and services	(153,008)
Cash payments to employees for services	-
Net cash provided (used) by operating activities	<u>51,334</u>
<u>Cash flows from non-capital financing activities:</u>	
Change in interfund balances	(21,313)
Transfers	<u>(100,000)</u>
Net cash provided (used) by non-capital financing activities	<u>(121,313)</u>
<u>Cash flows from capital and related financing activities:</u>	
Capital expenditures	-
Principle paid on revenue bonds	(14,220)
Interest paid on debt instruments	<u>(15,422)</u>
Net cash provided (used) by capital and related financing activities	<u>(29,642)</u>
<u>Cash flows from investing activities:</u>	
Interest and other income	-
Net cash provided (used) by investing activities	<u>-</u>
Net increase (decrease) in cash	(99,621)
Beginning cash balance	<u>298,676</u>
Ending cash balance	199,055
Restricted cash and cash equivalents	<u>199,055</u>
Cash and cash equivalents	<u>\$ -</u>

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

Town of Lecompte

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

	<u>Sewer</u> <u>System</u>
<u>Reconciliation of operating income (loss)</u>	
<u>to net cash provided (used) by operating</u>	
<u>activities</u>	
Operating income (loss)	\$ 8,647
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	39,645
(Increase) decrease in accounts receivable	1,980
(Decrease) increase in accounts and other payables	<u>1,062</u>
Net cash provided (used) by operating activities	<u>\$ 51,334</u>

Supplemental disclosures of cash flow information:

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

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

TOWN OF LECOMPTTE

Notes to Financial Statements

June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Financial Reporting Entity

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

Governmental Accounting Standards establish criteria for determining which component units should be considered part of the Town of Lecompte for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. The criteria include:

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

Based on the criteria presented above, the Town has no component units.

Basic Financial Statements

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

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

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

TOWN OF LECOMPTE

Notes to Financial Statements

June 30, 2021

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Town as a whole. The effect of most interfund activity is eliminated from these financial statements. Furthermore, government-wide financial statements exclude fiduciary activities which are reported in the fund financial statements.

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

Fund Financial Statements

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

Major Governmental Funds

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

One Cent Sales Tax Fund – The One Cent Sales Tax is a special revenue fund designed to receive a portion of sales tax in order to fund the expenses of the fire department and pay for garbage disposal.

Half-Cent Fund – The Half-Cent Fund is a special revenue fund dedicated and used for improving, operating and maintaining the Lecompte Community Center (formerly the old Lecompte School).

Major Business-Type Funds

Sewer Maintenance Fund – The Sewer Maintenance Fund is used to account for the operation of the Town's sewer system, which is supported by user charges.

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

Basis of Accounting and Measurement Focus

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

<u>Financial Statement Presentation</u>	<u>Basis of Accounting</u>	<u>Measurement Focus</u>
Government-Wide Financial Statements	Accrual Basis	Economic Resources
Fund Financial Statements:		
Governmental Funds	Modified Accrual Basis	Current Financial Resources
Proprietary Funds	Accrual Basis	Economic Resources
Fiduciary Funds	Accrual Basis	No Measurement Focus

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

TOWN OF LECOMPTE

Notes to Financial Statements

June 30, 2021

Under the modified accrual basis of accounting and the current financial resources measurement focus revenue is recognized when it is considered measurable and available. Revenue is considered available if it is collected within 60 days of year end. In addition, expenses are generally recorded when a liability has been incurred; however, debt service, compensated absences, claims and judgments are recorded as expenses when payment is made. Furthermore, when the current financial resources measurement focus is used, amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure of funds. In addition, long-term debts are excluded from amounts reported as liabilities. Proceeds from issuing long-term debt are reported as an other-financing source and repayment of long-term debt is reported as an expenditure of funds.

Use of Estimates

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

Restricted Assets

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

Budget Practices

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

Capital Assets

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

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value when received by the Town.

Capital assets are depreciated using the straight-line method and estimated useful lives ranging from 3 to 50 years. Useful lives are selected depending on the expected durability of the particular asset.

Cash and Cash Equivalents

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

TOWN OF LECOMPTTE

Notes to Financial Statements

June 30, 2021

Internal Activity

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

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

Compensated Absences

Full time and regular part-time employees earn vacation at rates that vary depending on length of service. Unused vacation that employees are allowed to carry forward is reported as a liability. The portion of the liability for compensated absences attributable to governmental funds and activities is typically liquidated by the general fund.

Fund Balance Classification

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

NOTE 2 - ACCOUNTS RECEIVABLE

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

	Governmental Activities	Business-Type Activities	Total
<u>Accounts Receivable</u>			
Charges for Services	\$ 9,725	\$ 34,299	\$ 44,024
Franchise Taxes	12,644	----	12,644
Other	----	----	----
Total Accounts Receivable	22,369	34,299	56,668
<u>Due From Other Governmental Units</u>			
Grant Reimbursements	40,595	----	40,595
Sales Taxes and OLT	53,183	----	53,183
Total Due From Other Governments	93,778	----	93,778
Total Receivables	116,147	34,299	150,446
Allowance for Doubtful Accounts	----	----	----
Receivables (Net)	\$ 116,147	\$ 34,299	\$ 150,446

TOWN OF LECOMPTTE

Notes to Financial Statements

June 30, 2021

NOTE 3 - CASH AND CASH EQUIVALENTS

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

	Governmental Activities	Business-Type Activities	Total
Cash Deposited in Banks	\$ 272,329	\$ 199,055	\$ 471,384
Petty Cash	200	----	200
Total Cash	272,529	199,055	471,584
Restricted Cash	----	199,055	199,055
Cash and Cash Equivalents	\$ 272,529	\$ ----	\$ 272,529

Cash deposited in banks is stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2021, the Town had \$ 471,384 in deposits (\$504,644 collected bank balance). These deposits are secured from risk by \$345,116 of federal deposit insurance and \$303,089 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

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

NOTE 4 - LONG-TERM DEBT

Debt attributable to the acquisition of the Town's utility system and the operation of the utility system is reported as an obligation of the Town's business-type enterprise funds. Remaining debts are reported as governmental activities. The Town's debts are summarized as follows:

	Governmental Activities	Business-Type Activities	Total
Certificates of Indebtedness	\$ 82,135	\$ ----	\$ 82,135
Capital Leases	----	----	----
Revenue Bonds	----	717,990	717,990
Total Obligations	82,135	717,990	800,125
Due Within One Year	24,182	14,524	38,706
Due in More Than One Year	\$ 57,953	\$ 703,466	\$ 761,419

TOWN OF LECOMPTÉ

Notes to Financial Statements

June 30, 2021

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Governmental Activities</u>				
Certificates of Indebtedness	\$ 91,737	\$ ----	\$ 9,602	\$ 82,135
Installment Purchase Agreement	----	----	----	---
Total Governmental Activities	91,737	----	9,602	82,135
<u>Business-Type Activities</u>				
Revenue Bonds	732,208	----	14,218	717,990
Total Business-Type Activities	732,208	----	14,218	717,990
Total Long-term Debts	\$ 823,945	\$ ----	\$ 23,820	\$ 800,125

Certificates of Indebtedness

The Town has issued certificates which are secured by and payable from a pledge of the excess of annual revenues above statutory, necessary and usual charges incurred by the Town. Certificates of indebtedness outstanding at June 30, 2021 are described as follows:

\$181,000 Certificates of Indebtedness, Series 2010 bearing interest at a rate of 3.75%.

Principle is payable in monthly installments of \$1,073, with the final installment due December 21, 2030.

\$ 82,135

Revenue Bonds

The Town has issued revenue bonds that are secured by and payable solely from a pledge of funds generated by a specific revenue source. Revenue bonds outstanding at June 30, 2021 are described as follows:

\$784,000 Sewer Revenue Bonds Series 2013; payable over 40 years and bearing interest at a rate of 2.125%. The first payment, due August 11, 2016 was interest only, and thereafter the Town began paying monthly installments of interest and principal of \$2,470 with the final installment due August 11, 2055.

\$ 717,990

TOWN OF LECOMPTE

Notes to Financial Statements

June 30, 2021

Maturity of Long-term Debt

A schedule of maturities of long-term debt excluding compensated absences and capital leases is presented as follows:

<u>Year Ended June 30th</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal Installments</u>	<u>Interest</u>	<u>Principal Installments</u>	<u>Interest</u>
2022	9,970	2,910	14,524	15,116
2023	10,351	2,529	14,835	14,805
2024	10,745	2,135	15,154	14,486
2025	11,155	1,725	15,479	14,161
2026	39,914	2,582	15,811	13,829
2027 – 2031	-	-	84,292	63,908
2032 – 2036	-	-	93,732	54,468
2037 – 2041	-	-	104,229	43,970
2042 – 2046	-	-	115,903	32,297
2047 – 2051	-	-	128,883	19,317
2052 – 2055	-	-	115,148	5,139
Total Governmental	\$ 82,135	\$ 11,881	\$ 717,990	\$ 291,496

NOTE 5 – AD VALOREM TAXES

The Town bills and collects its own property taxes using the assessed values determined by the Tax Assessor of Rapides Parish. For the year ended June 30, 2021, the Town has levied ad valorem taxes as follows:

<u>Description</u>	<u>Mills Levied</u>
Levied for general alimony as permitted by State Law. Revenue from taxes levied for general alimony is reported by the general fund.	7.29

Ad valorem taxes are assessed on a calendar year basis and are due on or before December 31 in the year the tax is levied. Revenues from ad valorem taxes are recognized as revenue in the year billed.

NOTE 6 – CAPITAL ASSETS

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

<u>Governmental Activities</u>	<u>Beginning</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending</u>
Non Depreciable Capital Assets				
Land	\$ ----	\$ 8,738	\$ ----	\$ 8,738
Construction in Process	----	204,882	----	204,882
Total Non Depreciable Capital Assets	----	213,620	----	213,620

TOWN OF LECOMPTÉ

Notes to Financial Statements

June 30, 2021

Depreciable Capital Assets				
General Fixed Assets	2,555,380	322,328	----	2,877,708
Sanitation Assets	20,627	----	----	20,627
Recreation and Community Center	367,909	----	----	367,909
Fire	205,556	----	----	205,556
Streets and Highways	2,014,132	----	----	2,014,132
Police	316,453	----	----	316,453
Accumulated Depreciation	(3,957,688)	(104,479)	----	(4,062,167)
Total	<u>1,522,369</u>	<u>217,849</u>	----	<u>1,740,218</u>
Total Governmental Activities	<u>\$ 1,522,369</u>	<u>\$ 431,469</u>	<u>\$ ----</u>	<u>\$ 1,953,838</u>
<u>Business-Type Activities</u>				
Non Depreciable Capital Assets				
Sewer Construction in Process	\$ ----	\$ ----	\$ ----	\$ ----
Total Construction in Process	<u>----</u>	<u>----</u>	<u>----</u>	<u>----</u>
Depreciable Capital Assets				
Sewer System	3,899,540	----	----	3,899,540
Accumulated Depreciation	(545,303)	(39,645)	----	(584,948)
Total	<u>3,354,237</u>	<u>(39,645)</u>	----	<u>3,314,592</u>
Total Business-Type Activities	<u>\$ 3,354,237</u>	<u>\$ (39,645)</u>	<u>\$ ----</u>	<u>\$ 3,314,592</u>

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General and Administrative	\$ 12,174	\$ ----	\$ 12,174
Police Department	12,870	----	12,870
Street Maintenance	72,077	----	72,077
Recreation Department	7,358	----	7,358
Sewer System	----	39,645	39,645
Total Depreciation Expense	<u>\$ 104,479</u>	<u>\$ 39,645</u>	<u>\$ 144,124</u>

NOTE 7 – ACCOUNTS AND OTHER PAYABLES

Details related to amounts reported as accounts and other payables are provided as follows:

TOWN OF LECOMPTE

Notes to Financial Statements

June 30, 2021

	Governmental Activities				
	General Fund	One Cent Sales Tax Fund	Half-Cent	Non-Major Funds	Total
Payable to Vendors	\$ 58,252	\$ 7,191	\$ 712	\$ 7,786	\$ 73,941
Due to Other Entities	36,550	----	----	----	36,550
Payroll Taxes and Withholding	72	----	----	----	72
Total	\$ 94,874	\$ 7,191	\$ 712	\$ 7,786	\$ 110,563

The Sewer System Maintenance Fund had \$7,220 of payables to vendors as of the year ended June 30, 2021.

NOTE 8- RISK MANAGEMENT

The Town is exposed to various risk of loss related to torts; theft, damage or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town insures against these risks by participation in public entity risk pools that operate as common insurance programs and by purchasing commercial insurance. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

NOTE 9 - RESTRICTED RESOURCES

The Town's net position is subject to restrictions described as follows:

- Bond covenants require the Town to establish bank accounts which serve as debt service and depreciation reserves. Funds may be disbursed from these accounts only under specific circumstances described by the bond covenants.
- Certain sales taxes proceeds are available only for certain expenditures.
- The Town's sewer revenue collections are restricted to the operation and maintenance of the Town's sewer system.

NOTE 10 – PENSION PLANS

Substantially all of the Town's employees are members of statewide retirement systems. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. A summary of amounts reported in connection with participation in these plans is summarized as follows:

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
Municipal Employees' Retirement System	\$ 161,157	\$ 57,110	\$ 27,126
Municipal Police Employees' Retirement System of Louisiana	----	----	34,650
Total	161,157	57,110	61,776
Portion Applicable to Business Type Activities	---	---	---
Portion Applicable to Government Type Activities	\$ 161,157	\$ 57,110	\$ 61,776

Further information regarding each of the retirement systems presented above is furnished as follows:

TOWN OF LECOMPTE

Notes to Financial Statements

June 30, 2021

Municipal Employees' Retirement System of Louisiana

Plan Description -The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Town participating in the retirement system are members of Plan B. All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2 percent of their final-average monthly salary in excess of \$100 for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 3 percent for each year retirement precedes age 62. In any case, monthly retirement benefits paid under Plan B cannot exceed 100 percent of final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

Funding Policy - Under Plan B, members are required by state statute to contribute 5.0 percent of their annual covered salary and the Town is required to contribute at an actuarially determined rate. Contributions to the System also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by State law, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town's contributions to the system were equal to the required contributions for the year.

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

Net Pension Liability	\$ 90,622,621
Town's Proportionate Share (Percentage)	0.17783%
Town's Proportionate Share (Amount)	<u>\$ 161,157</u>

The net pension liability presented above was not affected by any special funding situations. Changes in the Town's proportionate share of Plan's net pension liability during the measurement period ending June 30, 2020 are provided as follows:

TOWN OF LECOMPTÉ

Notes to Financial Statements

June 30, 2021

Beginning Net Pension Liability		\$ 197,277
Employer Contributions		(19,515)
<u>Pension Expense</u>		
Proportionate Share of Plan Pension Expense	29,237	
Changes in Proportion	(22,955)	
Employee Contributions	<u>(4,945)</u>	1,337
Change in Deferred Outflows of Resources		(26,972)
Change in Deferred Inflows of Resources		<u>9,030</u>
Ending Net Pension Liability		<u>\$ 161,157</u>

There were no changes between June 30, 2021 and the Plan's measurement date that are expected to have a significant effect on the Town's proportionate share of the collective net pension liability. Balances presented as deferred outflows of resources and deferred inflows of resources reported in connection with participation in the plan are presented as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
Differences Between Expected and Actual Experience	\$ ----	\$ 2,711	\$ (2,711)
Net Difference Between Projected and Actual Investment			
Earnings on Pension Plan Investments	17,495	----	17,495
Changes of Assumptions	4,995	----	4,995
Changes in Proportion	16,660	24,415	(7,755)
Employer Contributions Made After the Measurement Date	<u>17,960</u>	<u>----</u>	<u>17,960</u>
Total Deferrals	57,110	27,126	29,984
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	<u>17,960</u>	<u>----</u>	<u>17,960</u>
Deferrals Subject to Amortization	<u>\$ 39,150</u>	<u>\$ 27,126</u>	<u>\$ 12,024</u>

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

<u>For the Year Ending:</u>	
June 30, 2021	\$ 12,585
June 30, 2022	(7,111)
June 30, 2023	3,986
June 30, 2024	<u>2,564</u>
Total	<u>\$ 12,024</u>

Valuation Date June 30, 2020

Actuarial Cost Method Entry Age Normal

Actuarial Assumptions:

Investment Rate of Return 6.95%, net of pension plan investment expense, including inflation

TOWN OF LECOMPTE

Notes to Financial Statements

June 30, 2021

Projected Salary Increases	
- 1 to 4 years of service	6.4%-Plan A and 7.4%-Plan B (2.5% Inflation)
- More than 4 years of service	4.5%-Plan A and 4.9%-Plan B
Mortality Rates	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusting using their respective male and female MP2018
	PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
	PubNS-2010(B) Disables retiree Table set equal to 120% for males and females with the full generational MP2018 scale.
Expected Remaining Service Lives	3 years
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

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

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Public Equity	48.50%	3.08%
Public Fixed Income	33.50%	0.54%
Alternatives	18.00%	1.02%
Totals	100%	4.64%
Inflation		2.55%
Expected Arithmetic Nominal Return		7.19%

The discount rate used to measure the total pension liability was 6.95%. 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 to changes in the discount has been determined by measuring net pension liability at a discount rate that is one percentage point lower and one percentage point higher than the current rate. The results are presented as follows:

	1% Decrease 5.95%	Current Discount	1% Increase 7.95 %
	Discount Rate	Rate 6.95%	Discount
Net Pension Liability	\$ 214,529	\$ 161,157	\$ 115,995

TOWN OF LECOMPTE

Notes to Financial Statements

June 30, 2021

Municipal Police Employees' Retirement System of Louisiana

Plan Description - All full-time police department employees engaged in law enforcement are eligible to participate in the System. Any member of the Plan who commenced participation in the Plan before January 1, 2013 is eligible for retirement provided he or she meets one of the following conditions:

- At any age and has 25 years of creditable service
- At age 50 and has 20 years of creditable service
- At age 55 and has 12 years of creditable service.

Retirees are entitled to a retirement benefit, payable monthly for life, equal to $3\frac{1}{3}$ percent of their final-average salary for each year of creditable service, not to exceed 100% of their final salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination.

Any member of the Plan who commenced participation in the Plan after January 1, 2013 is eligible for retirement based on Hazardous Duty and Non-Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for retirement provided he or she meets one of the following conditions:

- At any age and has 25 years of creditable service
- At age 55 and has 12 years of creditable service.

Under the Non-Hazardous Duty sub plan, a member is eligible for retirement provided he or she meets one of the following conditions:

- At any age and has 30 years of creditable service
- At age 55 and has 25 years of creditable service.
- At age 60 and has 10 years of creditable service.

Under either Sub Plan, a member is eligible for early retirement after he or she has been a member of the System with 20 years of creditable service, with an actuarially reduced benefit from age 55. Under the Hazardous and Non-Hazardous Duty sub plans, the benefit rates are 3% and 2 $\frac{1}{2}$ %, respectively, of average final compensation (Average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary. The System also provides death and disability benefits for all members. Benefits are established or amended by state statute. As of June 30, 2021, the Town did not have any active participants in the plan, but is still reporting the amortization of deferred inflows associated with its past participation.

Funding Policy - Plan members are required by state statute to contribute a percent of their annual covered salary to the System. The percentage required for the measurement period ending June 30, 2019 is listed below:

Members hired prior to January 1, 2013 –	10.00%
Hazardous Duty Members hired after January 1, 2013-	10.00%
Non-Hazardous Duty Members hired after January 1, 2013 -	8.00%

The Town is required to contribute at an actuarially determined rate. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to

TOWN OF LECOMPTE

Notes to Financial Statements

June 30, 2021

change each year based on the results of the valuation for the prior fiscal year. The Town's contributions to the plan were equal to the required contributions for each of the past three years.

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

Net Pension Liability	\$ 924,233,054
Town's Proportionate Share (Percentage)	0.00%
Town's Proportionate Share (Amount)	<u>\$ ----</u>

The net pension liability presented above was not affected by any special funding situations. Changes in the Town's proportionate share of Plan's net pension liability during the measurement period ending June 30, 2020 are provided as follows:

Beginning Net Pension Liability	\$ ----
Employer Contributions	----
<u>Pension Expense</u>	
Proportionate Share of Plan Pension Expense	(42,658)
Amortization	----
Employee Contributions	<u>----</u>
Change in Deferred Outflows of Resources	(----)
Change in Deferred Inflows of Resources	<u>42,658</u>
Ending Net Pension Liability	<u>\$ ----</u>

There were no changes between June 30, 2021 and the Plan's measurement date that are expected to have a significant effect on the Town's proportionate share of the collective net pension liability. Balances presented as deferred outflows of resources and deferred inflows of resources reported in connection with participation in the plan are presented as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
Differences Between Expected and Actual Experience	\$ ----	\$ ----	\$ ----
Net Difference Between Projected and Actual Investment			
Earnings on Pension Plan Investments	----	----	----
Changes of Assumptions	----	----	----
Changes in Proportion	----	34,650	(34,650)
Employer Contributions Made After the Measurement Date	<u>----</u>	<u>----</u>	<u>----</u>
Total Deferrals	----	34,650	(34,650)
Deferrals That Will be Recorded as a Reduction in Net Pension Liability in the Subsequent Reporting Period	<u>----</u>	<u>----</u>	<u>----</u>
Deferrals Subject to Amortization	<u>\$ ----</u>	<u>\$ 34,650</u>	<u>\$ (34,650)</u>

TOWN OF LECOMPTTE

Notes to Financial Statements

June 30, 2021

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

<u>For the Year Ending:</u>	
June 30, 2021	\$ (20,407)
June 30, 2022	(14,246)
June 30, 2023	(3)
June 30, 2024	----
Total	<u>\$ (34,650)</u>

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

Valuation Date	June 30, 2020	
Actuarial Cost Method	Entry Age Normal Cost	
Investment Rate of Return	6.950% per annum	
Expected Remaining Service Lives	4 Years	
Inflation Rate	2.50% per annum	
Projected Salary Increases Including Inflation and Merit	<u>Years of Service</u> 1 - 2 2 & Over	<u>Salary Growth Rate</u> 12.30% 4.70%

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Portfolio Real Rate of Return</u>
Equity	48.50%	3.08%
Fixed Income	33.50%	0.54%
Alternatives	18.00%	1.02%
Other	0.00%	0.00%
Totals	<u>100%</u>	<u>4.64%</u>
Inflation		2.55%
Expected Arithmetic Nominal Return		<u>7.19%</u>

The discount rate used to measure the total pension liability was 6.950%. 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

TOWN OF LECOMPTE

Notes to Financial Statements

June 30, 2021

on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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, 2014 through June 30, 2019 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

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

	1% Decrease 5.950% Discount Rate	Current Discount Rate 6.950%	1% Increase 7.950 % Discount
Net Pension Liability	\$ ----	\$ ----	\$ ----

NOTE 11 – CONTINGENCIES

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

Litigation

Like most governmental units with extensive and diverse operations, the Town is occasionally named as a defendant in litigation. Based on consultation with the Town Attorney, the ultimate outcome of litigation that is pending or anticipated cannot be estimated at the present time.

Grant Compliance

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

NOTE 12: FUND DEFICIT

As of June 30, 2021, the funds listed below had deficit balances. It is management's policy to cover shortfalls in non-major funds with monies from the Town's General Fund.

<u>Fund</u>	<u>Deficit</u>
General Fund	138,022
Park Fund	7,347
Pie Festival Fund	2,621
Millage	23,638
Street Improvement	13,478

TOWN OF LECOMPTTE

Notes to Financial Statements

June 30, 2021

NOTE 13 – INTERNAL BALANCES

Details related to internal balances are presented as follows:

Governmental Activities	Receivable (Payable)	Purpose
General	\$ (246,499)	The Town routinely lends money between funds to cover necessary expenses. This results in interfund receivables and payables.
1% Dedicated Sales Tax	(42,796)	
Half-Cent	26,383	
Non-major Governmental Funds	(41,907)	
	<u>\$ (304,819)</u>	

Business-Type Activities	Receivable (Payable)	Purpose
Sewer System	\$ 304,819	The Town routinely lends money between funds to cover necessary expenses. This results in interfund receivables and payables.

NOTE 14 - TRANSFERS

During the current year, The Town of Lecompte made the following operating transfers:

Fund	Transfers In	Transfers Out
General Fund	\$ 100,000	\$ ----
Sewer Maintenance	----	100,000
Sewer Construction	----	----
Public Equipment Sinking Fund	12,880	----
Red River Grant	----	----
Park Fund	----	----
One Cent Fund	----	12,880
Totals	<u>\$ 112,880</u>	<u>\$ 112,880</u>

NOTE 15 – ON BEHALF PAYMENTS

The State of Louisiana provides supplemental pay for public safety employees that met certain requirements. Amounts reported as revenue and expenditures in connection with State Supplemental Pay are \$7,183.

TOWN OF LECOMPTE

Notes to Financial Statements

June 30, 2021

NOTE 16 – BUDGET PRESENTATIONS

The Town adopts its operating budgets for the General Fund, One Cent Sales Tax Fund, and Half-Cent Fund on the cash basis of accounting, which differs from generally accepted accounting principles (GAAP). A reconciliation of net income determined using the cash basis of accounting and net income derived from the GAAP basis of accounting has been provided as follows:

	<u>General Fund</u>	<u>One Cent Sales Tax Fund</u>	<u>Half-Cent Fund</u>
<u>Net Income – GAAP Basis</u>	\$ 81,434	\$ 99,998	\$ 56,111
<u>Non-cash Operating Transfers In</u>	100,000	(12,880)	----
	<u>181,434</u>	<u>87,118</u>	<u>56,111</u>
<u>Accounts Receivable:</u>			
<i>Current</i>	(92,698)	(15,634)	(7,816)
<i>Prior</i>	46,569	14,864	7,431
	<u>(46,129)</u>	<u>(770)</u>	<u>(385)</u>
<u>Interfund Receivables Funds:</u>			
<i>Current</i>	(80,478)	----	(26,383)
<i>Prior</i>	175,538	----	33,396
	<u>95,060</u>	<u>----</u>	<u>7,013</u>
<u>Accounts Payable</u>			
<i>Current</i>	94,874	7,191	712
<i>Prior</i>	(464,869)	(7,512)	(829)
	<u>(369,995)</u>	<u>(321)</u>	<u>(117)</u>
<u>Interfund Payables</u>			
<i>Current</i>	326,977	42,796	----
<i>Prior</i>	(312,677)	(129,103)	----
	<u>14,300</u>	<u>(86,307)</u>	<u>----</u>
 Net Income/Loss – Cash Basis	 <u>\$ (125,330)</u>	 <u>\$ (280)</u>	 <u>\$ 62,622</u>

Town of Lecompte

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<u>Revenues:</u>				
Taxes:				
Ad Valorem	\$ 28,500	\$ 37,000	\$ 37,835	\$ 835
Sales	325,000	325,000	326,558	1,558
Licenses & Permits:				
Franchise Fees	70,000	65,000	61,643	(3,357)
Occupational Licenses	500	16,500	79,082	62,582
Other	16,000	-	-	-
Intergovernmental	2,000	2,500	549,912	547,412
Sanitation	65,000	62,000	59,462	(2,538)
Fines and Forfeitures	132,000	135,000	206,868	71,868
Other	31,000	225,500	1,125	(224,375)
Total revenues	670,000	868,500	1,322,485	453,985
<u>General Government:</u>				
General Government	235,600	542,913	678,368	(135,455)
Police Department/Public Safety	299,850	371,264	373,004	(1,740)
Street Maintenance	127,750	86,150	109,084	(22,934)
Recreation Department	100	100	1,364	(1,264)
Other Expenditures	-	-	-	-
Capital Expenditures	-	-	495,355	(495,355)
Debt Service	-	-	-	-
Total expenditures	663,300	1,000,427	1,657,175	(656,748)

Town of Lecompte

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)

Budget and Actual - Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Excess (Deficiency) of				
Revenues Over Expenditures	6,700	(131,927)	(334,690)	(202,763)
Other Financing Sources (Uses):				
Proceeds from Financing	-	-	-	-
Operating Transfers In	-	100,000	100,000	-
Operating Transfers Out	-	-	-	-
Payment of Interfund Liability	-	(100,000)	109,360	209,360
Excess (Deficiency) of				
Revenues and Other Sources				
Over Expenditures and Other				
Uses	6,700	(131,927)	(125,330)	6,597
Fund Balance (Deficit) -				
Beginning of Year	5,316	-	(319,456)	(319,456)
Fund Balance (Deficit) -				
End of Year	<u>\$ 12,016</u>	<u>\$ (131,927)</u>	<u>\$ (444,786)</u>	<u>\$ (312,859)</u>

Town of Lecompte

One Cent Sales Tax Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<u>Revenues:</u>				
Sales Taxes	\$ 150,000	\$ 190,000	\$ 207,034	\$ 17,034
Intergovernmental/Other	33	-	12,889	12,889
Total revenues	<u>150,033</u>	<u>190,000</u>	<u>219,923</u>	<u>29,923</u>
<u>General Government:</u>				
Sanitation	85,000	95,000	86,203	8,797
Public Safety	20,000	20,500	31,653	(11,153)
Other Expenses	7,500	7,700	3,160	4,540
Capital Expenditures	34,400	30,000	-	30,000
Total expenditures	<u>146,900</u>	<u>153,200</u>	<u>121,016</u>	<u>32,184</u>
Excess (Deficiency) of				
Revenues Over Expenditures	3,133	36,800	98,907	62,107
<u>Other Financing Sources (Uses):</u>				
Payment of Interfund Liability			(86,307)	
Operating Transfers (Net)	-	(100,000)	(12,880)	87,120
Excess (Deficiency) of				
Revenues and Other Sources				
Over Expenditures and Other				
Uses	3,133	(63,200)	(280)	149,227
Fund Balance (Deficit) -				
Beginning of Year	-	70,424	(54,401)	34,568
Fund Balance (Deficit) -				
End of Year	<u>\$ 3,133</u>	<u>\$ 7,224</u>	<u>\$ (54,681)</u>	<u>\$ 183,795</u>

Town of Lecompte

Half-Cent Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Year Ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<u>Revenues:</u>				
Sales Taxes	\$ 75,000	\$ 95,000	\$ 103,572	\$ 8,572
Intergovernmental/Other	-	-	-	-
Total revenues	<u>75,000</u>	<u>95,000</u>	<u>103,572</u>	<u>8,572</u>
<u>General Government:</u>				
Recreation Department	73,000	43,750	47,964	(4,214)
Total expenditures	<u>73,000</u>	<u>43,750</u>	<u>47,964</u>	<u>(4,214)</u>
Excess (Deficiency) of				
Revenues Over Expenditures	2,000	51,250	55,608	4,358
<u>Other Financing Sources (Uses):</u>				
Payment of Interfund Liability	-	-	7,013	7,013
Excess (Deficiency) of				
Revenues and Other Sources Over Expenditures and Other Uses	2,000	51,250	62,621	11,371
Fund Balance (Deficit) -				
Beginning of Year	-	25,787	64,834	34,568
Fund Balance (Deficit) -				
End of Year	<u>\$ 2,000</u>	<u>\$ 77,037</u>	<u>\$ 127,455</u>	<u>\$ 45,939</u>

Town of Lecompte

Schedule of Net Pension Liability Data Cost Sharing Retirement Systems

Retirement System / Measurement Date	Share of Collective		Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll	Pension Plans Fiduciary Net Position as a Percentage of Total Pension Liability
	Net Pension Liability				
	Percent	Amount			
Municipal Employees' Retirement System					
June 30, 2014	0.22622%	99,470	144,091	69.0%	76.9%
June 30, 2015	0.21866%	153,752	156,926	98.0%	68.7%
June 30, 2016	0.28399%	235,405	208,653	112.8%	63.3%
June 30, 2017	0.27221%	235,521	202,600	116.2%	63.5%
June 30, 2018	0.15537%	131,415	115,819	113.5%	65.6%
June 30, 2019	0.22551%	197,277	172,392	114.4%	66.1%
June 30, 2020	0.17783%	161,157	115,866	139.1%	66.3%
Municipal Police Employees' Retirement System					
June 30, 2014	0.00000%	-	-	0.0%	N/A
June 30, 2015	0.01211%	94,760	32,381	292.6%	70.7%
June 30, 2016	0.02208%	206,952	61,915	334.3%	66.0%
June 30, 2017	0.01041%	90,858	31,090	292.2%	70.1%
June 30, 2018	0.00722%	61,055	21,333	286.2%	71.9%
June 30, 2019	0.00000%	-	-	0.0%	N/A
June 30, 2020	0.00000%	-	-	0.0%	N/A

Notes to Schedule:

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

Town of Lecompte

Schedule of Employer Contributions Cost Sharing Retirement Systems

Retirement System / Fiscal Year Ending	Statutorily Required Employer Contributions	Contributions Recognized By the Pension Plan	Difference Between Required and Recognized Contributions	Covered Payroll	Contributions Recognized as a Percentage of Covered Payroll
Municipal Employees' Retirement System					
June 30, 2015	14,912	14,908	4	156,926	9.50%
June 30, 2016	19,822	19,822	-	208,653	9.50%
June 30, 2017	22,225	22,286	(61)	202,600	11.00%
June 30, 2018	15,256	15,346	(90)	115,819	13.25%
June 30, 2019	24,135	24,129	6	172,392	14.00%
June 30, 2020	19,294	19,515	(221)	115,866	16.84%
Municipal Police Employees' Retirement System					
June 30, 2015	10,192	10,200	(8)	32,381	31.50%
June 30, 2016	18,246	18,265	(19)	61,915	29.50%
June 30, 2017	9,864	9,871	(7)	31,090	31.75%
June 30, 2018	6,554	6,560	(6)	21,333	30.75%
June 30, 2019	-	-	-	-	-
June 30, 2020	-	-	-	-	-

Notes to Schedule:

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

Town of Lecompte

Combining Balance Sheet Non Major Governmental Funds June 30, 2021

	Public Equipment Sinking & Reserve	Park	Pie Festival	Millage	Street Improvement	LCDBG	Total Non Major Funds
Assets							
Cash and Cash Equivalents	\$ 5,772	\$ 872	\$ 423	\$ -	\$ 280	\$ -	\$ 7,347
Receivables (net)	-	-	-	-	-	-	-
Interfund Receivables	-	-	-	6,300	1,110	7,811	15,221
Total assets	\$ 5,772	\$ 872	\$ 423	\$ 6,300	\$ 1,390	\$ 7,811	\$ 22,568
Liabilities and Fund Balance							
Liabilities							
Accounts payable	\$ -	\$ -	\$ 51	\$ -	\$ -	\$ 7,735	7,786
Interfund Payables	1,109	8,219	2,993	29,938	14,868	-	57,127
Total liabilities	1,109	8,219	3,044	29,938	14,868	7,735	64,913
Fund Balance							
Restricted For:							
Other Special Purposes	4,663	(7,347)	(2,621)	(23,638)	(13,478)	76	(42,345)
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	4,663	(7,347)	(2,621)	(23,638)	(13,478)	76	(42,345)
Total Liabilities and Fund Balance	\$ 5,772	\$ 872	\$ 423	\$ 6,300	\$ 1,390	\$ 7,811	\$ 22,568

Town of Lecompte

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

	Public Equipment Sinking & Reserve	Park	Pie Festival	Millage	Street Improvement	LCDBG	Total Non Major Funds
Revenues:							
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-
Other	20	270	1	-	-	-	291
Total Revenues	<u>20</u>	<u>270</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>291</u>
Expenditures:							
Current:							
Recreation/Beautification	-	-	-	-	-	-	-
Capital Expenditures	-	-	-	-	-	-	-
Other	-	-	-	1	-	-	1
Debt Service	12,880	-	-	-	-	-	12,880
Total Expenditures	<u>12,880</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>12,881</u>
Excess (Deficiency) of Revenues Over Expenditures	(12,860)	270	1	(1)	-	-	(12,590)
Other Financing Sources (Uses):							
Operating Transfers In/Out	12,880	-	-	-	-	-	12,880
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	20	270	1	(1)	-	-	290
Fund Balance (Deficit)							
Beginning of Year	4,643	(7,617)	(2,622)	(23,637)	(13,478)	76	(42,635)
End of Year	<u>\$ 4,663</u>	<u>\$ (7,347)</u>	<u>\$ (2,621)</u>	<u>\$ (23,638)</u>	<u>\$ (13,478)</u>	<u>\$ 76</u>	<u>\$ (42,345)</u>

Town of Lecompte

Schedule of Compensation Paid to Board Members For the year ended June 30, 2021

Alex Baker III	\$	6,000
Patrick Baker		6,000
George L. Clark		6,000
Lonnell Clark		6,000
Craig Phillips		14,400
Ashton Washington Jr.		6,000
		<hr/>
Total Compensation	\$	44,400

Town of Lecompte

Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer For the year ended June 30, 2021

Agency Head

Craig Phillips

Purpose:

Compensation

\$ 14,400

Benefits:

Payroll Taxes

-

Reimbursements

-

Retirement

-

Town of Lecompte

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

	First Six Month Period Ended December 31, 2020	Second Six Month Period Ended June 30, 2021
Beginning Balance of Amounts Collected	\$ -	\$ -
Add: Collections		
Criminal Court Costs/Fees	88,476	118,392
Subtotal Collections	<u>88,476</u>	<u>118,392</u>
Less: Disbursements to Governments & Nonprofits		
9th JDC Public Defender Office	1,970	6,100
CMIS Collections	212	858
Crime Stoppers of Cenla	424	1,556
DHH- TH/SCI T.F.	340	1,840
Louisiana Commission On Law Enforcement	1,353	4,030
Louisiana Judicial College	104	386
North Louisiana Criminalistics Laboratory	5,440	20,760
Less: Amounts Retained by the Town of Lecompte		
Self Disbursed Court Cost	<u>78,633</u>	<u>82,862</u>
Subtotal Disbursements / Retainage	<u>88,476</u>	<u>118,392</u>
Ending Balance of Amounts Collected but not Disbursed	<u>\$ -</u>	<u>\$ -</u>

Town of Lecompte

Summary of Findings June 30, 2021

PART I - SUMMARY OF AUDITOR'S RESULTS:

- The Independent Auditor's Report on the financial statements for the Town of Lecompte as of June 30, 2021 and for the year then ended reported an unmodified opinion.
- Four acts of noncompliance material to the financial statements of the Town of Lecompte were reported during the audit as listed below.

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

FINDING 2021-001: DEBT COVENANTS

- *Criteria:* The Sewer Revenue Bonds are subject to a series of debt covenants.
- *Condition:* The Town did not comply with its debt covenants by failing to deposit \$2,034 per month into the Short-Lived Asset Fund.
- *Cause:* The Town failed to make all of the required monthly transfers.
- *Effect:* The Town was not in compliance with its debt covenants at the end of the year.
- *Recommendation:* We recommend that the Town establish a tickler system, to ensure that all required monthly transfers are performed in the future.

FINDING 2021-002: NON-PAYMENT OF PAYROLL TAXES AND RETIREMENT

- *Criteria:* Federal law requires employers to remit payment for employment taxes, as well as federal taxes withheld from the payroll checks of employees. In addition, the Town participates in a cost-sharing retirement system, with requirements set by Statute.
- *Condition:* The Town did not make all required payments. All required payments were made to the retirement system, but not all forms were filed when due.
- *Cause:* The Town will acquire interest and penalties when payments aren't made on time.
- *Effect:* The Town of Lecompte was not in compliance with the legal requirements.
- *Recommendation:* We recommend that the Town's accounting personnel and management focus on paying all required payroll and retirement obligations timely in the future.

FINDING 2021-003: TECHNICAL BUDGET VIOLATION

- *Criteria:* For revenues and other sources, state law prohibits unfavorable budget variances from exceeding 5%.
- *Condition:* In the current year, unfavorable variances exceeded 5%.
- *Cause:* The Town didn't make sufficient amendments to the budget once they realized that unfavorable variances exceeded 5% of the budgeted amounts.
- *Effect:* The Town was not in compliance with the Louisiana Government Budget Act.
- *Recommendation:* The Town of Lecompte should implement policies and procedures to ensure that the budget is amended whenever variances exceed amounts allowed by the Louisiana Government Budget Act.

TOWN OF LECOMPTE

Summary of Findings

June 30, 2021

FINDING 2021-004: NON-REMITTANCE OF CERTAIN COSTS COLLECTED ON BEHALF OF OTHER ENTITIES

- *Criteria:* LA Revised Statutes require the Town to remit certain fees, fines, and court costs to various agencies whenever fines are collected by the Town.
- *Condition:* The Town did not remit all required amounts collected on behalf of these various agencies.
- *Cause:* The Town's personnel failed to make the required payments.
- *Effect:* The Town was not in compliance with LA Revised Statute requirements.
- *Recommendation:* We recommend that the Town prioritize making these payments in the future.

TOWN OF LECOMPTE

Management's Corrective Action

June 30, 2021

SECTION I	
INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS	
<u>FINDINGS</u>	<u>RESPONSE</u>
<p><u>FINDING 2021-001: DEBT COVENANTS</u> Prior to accepting a loan from the USDA, the Town agreed to make monthly transfers of \$2,034 into an account dedicated to the replacement of short-lived assets, until a certain amount was set aside. The Town did not make all required payments in the current year.</p> <p><u>FINDING 2021-002: NON-PAYMENT OF PAYROLL TAXES AND RETIREMENT</u> Federal law requires employers to remit payment for employment taxes, as well as federal taxes withheld from the payroll checks of employees. The Town did not make all required payments. In addition, the Town participates in a cost-sharing retirement system. All required payments were made to the retirement system, but not all forms were filed when due.</p> <p><u>FINDING 2021-003: TECHNICAL BUDGET VIOLATION</u> In the current year, the expenditures in the General Fund were more than budgeted amounts by more than 5%, which is a violation of the Louisiana Budget Law.</p> <p><u>FINDING 2021-004: NON-REMITTANCE OF CERTAIN COSTS COLLECTED ON BEHALF OF OTHER ENTITIES</u> LA Revised Statutes require the Town to remit certain fees, fines, and court costs to various agencies whenever fines are collected by the Town. The Town did not remit all required amounts collected on behalf of these various agencies.</p>	<p><u>2021-001: DEBT COVENANTS</u> When this issue was discovered, the Town began making the required payments. We have made all required payments for the last seven months of the year, and will continue to do so.</p> <p><u>2021-002: NON-PAYMENT OF PAYROLL TAXES AND RETIREMENT</u> We will develop an internal tickler system so that we can ensure compliance in the future, and pay amounts due such authorities in a timely manner. The Town is committed to paying all monies owed to these agencies in the future.</p> <p><u>2021-003: TECHNICAL BUDGET VIOLATION</u> We have examined our budgeting process, and have taken corrective action so that we can better predict our revenues and expenditures in future years.</p> <p><u>2021-004: NON-REMITTANCE OF CERTAIN COSTS COLLECTED ON BEHALF OF OTHER ENTITIES</u> We have begun to file all required reports, and began to reach out to each agency in order to remit all required fees.</p>
SECTION II	
MANAGEMENT LETTER	
<u>FINDINGS</u>	<u>RESPONSE</u>
No Findings of this nature.	No response necessary.

Town of Lecompte
Summary of Prior Year Findings
June 30, 2021

<u>SECTION I</u>	
<u>INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.</u>	
<u>FINDINGS</u>	<u>RESPONSE</u>
<p><u>FINDING 2020-1: DEBT COVENANTS</u> Prior to accepting a loan from the USDA, the Town agreed to make monthly transfers of \$2,034 into an account dedicated to the replacement of short-lived assets, until a certain amount was set aside. The Town did not make all required payments in the current year.</p>	<u>NOT RESOLVED: SEE FINDING 2021-001</u>
<p><u>FINDING 2020-2: NON-PAYMENT OF PAYROLL TAXES AND RETIREMENT</u> Federal law requires employers to remit payment for employment taxes, as well as federal taxes withheld from the payroll checks of employees. The Town did not make all required payments. In addition, the Town participates in a cost-sharing retirement system. All required payments were made to the retirement system, but not all forms were filed when due.</p>	<u>NOT RESOLVED: SEE FINDING 2021-002</u>
<p><u>FINDING 2020-3: TECHNICAL BUDGET VIOLATION</u> In the current year, actual expenditures in the General Fund were more than budgeted amounts by more than 5%, which is a violation of the Louisiana Budget Law.</p>	<u>NOT RESOLVED: SEE FINDING 2021-003</u>
<p><u>FINDING 2020-4: NON-REMITTANCE OF CERTAIN COSTS COLLECTED ON BEHALF OF OTHER ENTITIES</u> LA Revised Statutes require the Town to remit certain fees, fines, and court costs to various agencies whenever fines are collected by the Town. The Town did not remit all required amounts collected on behalf of these various agencies.</p>	<u>NOT RESOLVED: SEE FINDING 2021-004</u>
<p><u>FINDING 2020-5: PIE FESTIVAL ACTIVITIES</u> In connection with facilitating culture and recreation activities, the Town hosts the Annual Pie Festival each year. Volunteer members of a committee deal with the operations of the Festival, while the Town maintains the accounting records. Since these operations are conducted in remote locations, the transactions are not subjected to the centralized accounting policies and procedures that apply to the Town’s typical financial activities.</p>	<u>RESOLVED</u>

Town of Lecompte
Summary of Prior Year Findings
June 30, 2021

<p><u>FINDING 2020-6: DEPOSIT RISK</u> Louisiana Law requires deposits over \$250,000, the FDIC insured limit, to be secured by collateral. In the current year, not all of the Town’s deposits were adequately secured, exposing the Town to custodial credit risk.</p>	<p><u>RESOLVED</u></p>
<p>SECTION II MANAGEMENT LETTER</p>	
<p><u>FINDINGS</u> No Findings of this nature.</p>	<p><u>RESPONSE</u> No response necessary</p>