

TOWN OF SLAUGHTER, LOUISIANA
ANNUAL FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
JUNE 30, 2023

**Town of Slaughter, Louisiana
Annual Financial Statements
As of and for the Year Ended June 30, 2023
With Supplemental Information Schedules**

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**Town of Slaughter, Louisiana
Annual Financial Statements
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With Supplemental Information Schedules**

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Minda B. Raybourn

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Member
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Member
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INDEPENDENT AUDITOR'S REPORT

The Honorable Janis Landry, Mayor
And Members of the Board of Aldermen
Town of Slaughter
PO Box 293
Slaughter, LA 70777

Report on the Audit of the Financial Statements

Opinions

I have audited the financial statements of the governmental-type activities, the business-type activities, the major fund, and the aggregate remaining fund information of the Town of Slaughter, Louisiana (the "Town"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In my opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental-type activities, the business-type activities, the major fund, and the aggregate remaining fund information of the Town, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report I am required to be independent of Town, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the schedule of the Town's proportionate share of net pension liability, and the schedule of the Town's contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. My opinion on the basic financial statements is not affected by this missing information. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information


My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of compensation paid to board members, the schedule of compensation, benefits, and other payments to the agency head, and the justice funding schedule-collecting/disbursing entity are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated December 21, 2023 on my consideration of the Town's internal control over financial reporting and on my 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 my 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 Slaughter's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Minda Raybourn".

Minda Raybourn CPA
Franklinton, LA
December 21, 2023

Basic Financial Statements

STATEMENT A

TOWN OF SLAUGHTER, LOUISIANA
STATEMENT OF NET POSITION
June 30, 2023

<u>ASSETS</u>	Governmental <u>Activities</u>	Business-type <u>Activities</u>	<u>Total</u>
Cash and cash equivalents	\$ 238,331	\$ 380,674	\$ 619,005
Investments	-	-	-
Receivables, net	56,311	38,776	95,087
Due from other funds	102,056	-	102,056
Restricted assets:			
Cash and cash equivalents	242,797	285,800	528,597
Capital assets, net of depreciation	1,172,000	1,466,380	2,638,380
Total Assets	1,811,495	2,171,630	3,983,125
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	330,622	63,304	393,926
<u>LIABILITIES</u>			
Accounts payable	13,383	10,969	24,352
Accrued liabilities	-	-	-
Accrued wages	8,054	3,738	11,792
Payroll related payables	9,112	-	9,112
Compensated absences	11,140	8,626	19,766
Due to other funds	-	102,056	102,056
Payables from restricted assets:			
Customer deposits	-	80,012	80,012
Lease Payable:			
Due within one year	7,795	-	7,795
Long-term portion	43,908	-	43,908
Bonds payable:			
Due within one year	-	95,000	95,000
Long-term portion	-	955,000	955,000
Net pension liability	367,356	48,946	416,302
Total Liabilities	460,748	1,304,347	1,765,095
<u>DEFERRED INFLOWS RESOURCES</u>	5,489	826	6,315
<u>NET POSITION</u>			
Net investment in capital assets	1,120,297	416,380	1,536,677
Restricted for:			
Debt Service	-	44,691	44,691
Grant proceeds	-	161,097	161,097
Streets and sidewalks	256,380	-	256,380
Unrestricted	299,203	307,593	606,796
Total Net Position	\$ 1,675,880	\$ 929,761	\$ 2,605,641

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

TOWN OF SLAUGHTER, LOUISIANA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net Revenues (Expenses)</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Governmental Activities							
General government	\$ 277,482	\$ -	\$ 8,931	\$ -	\$ (268,551)	\$ -	\$ (268,551)
Public safety: police	426,023	89,390	5,800	-	(330,833)	-	(330,833)
Public safety: fire	103,868	-	-	-	(103,868)	-	(103,868)
Streets and sidewalks	89,030	-	-	105,000	15,970	-	15,970
Interest on long-term debt	2,337	-	-	-	(2,337)	-	(2,337)
Total Governmental Activities	898,740	89,390	14,731	105,000	(689,619)	-	(689,619)
Business-type Activities							
Gas services	194,940	376,530	1,075	-	-	182,665	182,665
Water services	257,459	502,228	188,891	20,000	-	453,660	453,660
Total Business-type Activities	452,399	878,758	189,966	20,000	-	636,325	636,325
Total Primary Government	1,351,139	968,148	204,697	125,000	(689,619)	636,325	(53,294)
General Revenues and Transfers							
					225,200	-	225,200
					45,243	-	45,243
					79,526	-	79,526
					98,430	-	98,430
					9,924	-	9,924
					1,960	2,412	4,372
					32,040	-	32,040
					-	-	-
					3,878	-	3,878
					147,367	(147,367)	-
					9,832	-	9,832
Total General Revenues and Transfers					653,400	(144,955)	508,445
Change in Net Position					(36,219)	491,370	455,151
Net Position, beginning, as restated					1,712,099	438,391	2,150,490
Net Position, ending					\$ 1,675,880	\$ 929,761	\$ 2,605,641

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

TOWN OF SLAUGHTER, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	<u>General</u>	<u>Street and Sidewalks</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 238,331	\$ -	\$ 238,331
Investments	-	-	-
Receivables, net:			
Franchise fees	17,065	-	17,065
Property taxes	13	-	13
Sales taxes	23,481	15,409	38,890
Beer taxes	343	-	343
Due from other governmental agencies	-	-	-
Due from other funds	122,037	-	122,037
Restricted assets:			
Cash and cash equivalents	-	242,797	242,797
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	401,270	258,206	659,476
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities			
Accounts payable	11,556	1,827	13,383
Accrued liabilities	-	-	-
Accrued Wages	8,054	-	8,054
Payroll liabilities	9,112	-	9,112
Due to other funds	-	19,981	19,981
	<hr/>	<hr/>	<hr/>
Total Liabilities	28,722	21,808	50,530
Fund Balances			
Nonspendable	-	-	-
Restricted for:			
Streets and sidewalks	-	236,398	236,398
Assigned for:			
Public safety: police	43,710	-	43,710
Unassigned	328,838	-	328,838
	<hr/>	<hr/>	<hr/>
Total Fund Balances	372,548	236,398	608,946
TOTAL LIABILITIES AND FUND BALANCES	\$ 401,270	\$ 258,206	\$ 659,476

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

STATEMENT D

TOWN OF SLAUGHTER, LOUISIANA
BALANCE SHEET
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2023

Total Fund Balances - Total Governmental Funds	\$	608,946
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the Governmental Funds Balance Sheets. These are the capital assets, nets of accumulated depreciation, reported on the Statement of Net Position.		1,172,000
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Long-term liabilities of governmental activities do not require the use of current financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet. These are the long-term liabilities of the governmental activities:

Lease Payable		(51,703)
Net pension liability		(367,356)
Compensated absences		(11,140)

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds.

Deferred outflows of resources related to pensions		330,622
Deferred inflows of resources related to pensions		(5,489)

Total Net Position of Governmental Activities	\$	1,675,880
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The accompanying notes are an integral part of the financial statements.

TOWN OF SLAUGHTER, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

<u>REVENUES</u>	<u>General</u>	<u>Streets and Sidewalks</u>	<u>Total Governmental Funds</u>
Fines and other costs	\$ 89,390	\$ -	\$ 89,390
Franchise fees	79,526	-	79,526
Interest	1,146	814	1,960
Intergovernmental revenues	9,832	-	9,832
On-behalf payments	32,040	-	32,040
Occupational licenses	98,430	-	98,430
Cell phone tower rent	9,924	-	9,924
Other revenues	3,878	-	3,878
Taxes - beer	1,479	-	1,479
Taxes - property	45,243	-	45,243
Taxes - sales	135,078	88,643	223,721
	<hr/>	<hr/>	<hr/>
Total Revenues	505,966	89,457	595,423
 <u>EXPENDITURES</u>			
General government	279,934	-	279,934
Public safety:			
Police	339,578	-	339,578
Fire	48,011	-	48,011
Streets and sidewalks	-	62,256	62,256
Debt Service:			
Lease Principal	31,004	-	31,004
Lease Interest	2,337	-	2,337
Capital outlay	-	70,000	70,000
	<hr/>	<hr/>	<hr/>
Total Expenditures	700,864	132,256	833,120
 Deficiency of Revenues over Expenditures Before Other Financing Sources (Uses)			
	<hr/>	<hr/>	<hr/>
	(194,898)	(42,799)	(237,697)
 <u>OTHER FINANCING SOURCES (USES)</u>			
Grants and other contributions	5,800	105,000	110,800
Operating transfers, in	153,270	-	153,270
Operating transfers, out	-	(5,903)	(5,903)
	<hr/>	<hr/>	<hr/>
Net Other Financing Sources (Uses)	159,070	99,097	258,167
 Change in Fund Balances			
	<hr/>	<hr/>	<hr/>
	(35,828)	56,298	20,470
Fund Balances, beginning	408,376	180,100	588,476
	<hr/>	<hr/>	<hr/>
Fund Balances, ending	\$ 372,548	\$ 236,398	\$ 608,946
	<hr/>	<hr/>	<hr/>

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

TOWN OF SLAUGHTER, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES
EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

Net Change in Fund Balances - Total Governmental Funds

Amounts reported for governmental activities in the Statement of Activities
are different because: \$ 20,470

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation charged differed from capital outlay in the current period.

Capital outlays recoded as expenditures in governmental funds	70,000
Depreciation not reported in governmental funds	(159,254)

This amount represents capital lease principal payments during the current period.	7,496
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Expenses related to compensated absences that are reported in the statement of activities do not require the use of financial resources and therefore, are not reported as expenditures in the governmental funds.	(5,308)
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Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense. This is the amount by which pension contributions charged differed from the actuarial cost of benefits.	21,446
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Non employer contributions to cost sharing pension plan	8,931
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Change in Net Position of Governmental Activities	\$ (36,219)
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The accompanying notes are an integral part of the financial statements.

TOWN OF SLAUGHTER, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2023

<u>ASSETS</u>	<u>Water</u>	<u>Gas</u>	<u>Total</u>
Current Assets			
Cash and cash equivalents	\$ 287,945	\$ 92,729	\$ 380,674
Receivables, net	28,771	10,005	38,776
Due from other funds	-	43,150	43,150
Total Current Assets	316,716	145,884	462,600
Restricted Assets			
Cash and cash equivalents	257,747	28,053	285,800
Total Restricted Assets	257,747	28,053	285,800
Capital Assets			
Right of way	-	1,500	1,500
Capital assets, net	1,406,542	58,338	1,464,880
Construction in progress	0	-	-
Net Capital Assets	1,406,542	59,838	1,466,380
Total Assets	1,981,005	233,775	2,214,780
<u>DEFERRED OUTFLOWS OF RESOURCE</u>	\$ 31,652	\$ 31,652	\$ 63,304

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

TOWN OF SLAUGHTER, LOUISIANA
STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2023

<u>LIABILITIES</u>	<u>Water</u>	<u>Gas</u>	<u>Total</u>
Current Liabilities			
Payable from current assets:			
Accounts payable	\$ 7,844	\$ 3,125	\$ 10,969
Accrued wages	1,869	1,869	3,738
Compensated absences	4,313	4,313	8,626
Due to other funds	56,269	88,937	145,206
Total Current Liabilities, Payable from Current Assets	70,295	98,244	168,539
Payable from restricted assets:			
Bonds payable	95,000	-	95,000
Customer deposits	51,959	28,053	80,012
Total Current Liabilities, Payable from Restricted Assets	146,959	28,053	175,012
Total Current Liabilities	217,254	126,297	343,551
Long-term Liabilities			
Bonds payable	955,000	-	955,000
Net pension liability	24,473	24,473	48,946
Total Long Term Liabilities	979,473	24,473	1,003,946
Total Liabilities	1,196,727	150,770	1,347,497
<u>DEFERRED INFLOWS OF RESOURCES</u>	413	413	826
<u>NET POSITION</u>			
Net investment in capital assets	356,542	59,838	416,380
Restricted for debt service	44,691	-	44,691
Restricted for grant proceeds	161,097	-	161,097
Restricted for customer deposits	-	-	-
Unrestricted	253,187	54,406	307,593
Total Net Position	\$ 815,517	\$ 114,244	\$ 929,761

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

STATEMENT H

TOWN OF SLAUGHTER, LOUISIANA
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEARS ENDED JUNE 30, 2023

<u>OPERATING REVENUES</u>	<u>Water</u>	<u>Gas</u>	<u>Total</u>
Sales	\$ 477,887	\$ 359,093	\$ 836,980
Penalties	18,736	-	18,736
Installations	5,605	15,188	20,793
Intergovernmental	188,891	1,075	189,966
Contributions	20,000	2,249	22,249
Total Operating Revenues	711,119	377,605	1,088,724
<u>OPERATING EXPENSES</u>			
Natural gas purchased	-	102,099	102,099
Bad debts	1,447	-	1,447
Depreciation	98,169	4,406	102,575
Salaries	55,443	57,106	112,549
Payroll taxes	3,207	2,938	6,145
Employee benefits	(74,185)	(74,185)	(148,370)
Insurance	5,635	4,923	10,558
Supplies	60,591	9,643	70,234
Repair and maintenance	3,075	938	4,013
Installation expense	-	3,336	3,336
Auto expense	2,550	3,061	5,611
Telephone	241	-	241
Utilities	21,972	767	22,739
Professional Services	43,512	72,538	116,050
Other	14,161	7,370	21,531
Total Operating Expenses	235,818	194,940	430,758
Operating Income (Loss)	475,301	182,665	657,966
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Interest income	2,067	345	2,412
Bond issuance costs	-	-	-
Interest expense	(21,641)	-	(21,641)
Total Non-Operating Revenues (Expenses)	(19,574)	345	(19,229)
<u>INCOME (LOSS) BEFORE TRANSFERS</u>			
	455,727	183,010	638,737
Operating transfers, net	(97,367)	(50,000)	(147,367)
Change in Net Position	358,360	133,010	491,370
Total Net Position, beginning	457,157	(18,766)	438,391
Total Net Position, ending	\$ 815,517	\$ 114,244	\$ 929,761

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

STATEMENT I

TOWN OF SLAUGHTER, LOUISIANA
COMPARATIVE STATEMENTS OF CASH FLOWS
PROPRIETARY FUNDS
YEARS ENDED JUNE 30, 2023

	<u>Water</u>	<u>Gas</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 469,401	\$ 387,231	\$ 856,632
Cash received from installations	5,605	15,188	20,793
Paid for meter deposit fees	4,444	533	4,977
Cash paid to employees for services	(52,123)	(52,797)	(104,920)
Cash paid to suppliers for goods and services	(153,946)	(279,306)	(433,252)
	<hr/>	<hr/>	<hr/>
Net Cash Provided by (Used for) Operating Activities	273,381	70,849	344,230
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Interfund transactions	(59,556)	(24,621)	(84,177)
Proceeds from grants and contributions	208,891	1,075	209,966
Transfers from/(to) other funds	(97,367)	(50,000)	(147,367)
	<hr/>	<hr/>	<hr/>
Net Cash Used for Non-Capital Financing Activities	51,968	(73,546)	(21,578)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(221,809)	-	(221,809)
Proceeds from bond issuance	-	-	-
Principal payments for long term debt	(95,000)	-	(95,000)
Bond issuance costs	-	-	-
Interest payments for long term debt	(21,641)	-	(21,641)
	<hr/>	<hr/>	<hr/>
Net Cash Provided by Capital and Related Financing Activities	(338,450)	-	(338,450)
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipt of interest	2,067	345	2,412
	<hr/>	<hr/>	<hr/>
Net Cash Provided Investing Activities	2,067	345	2,412
Decrease in Cash and Cash Equivalents	(11,034)	(2,352)	(13,386)
Cash and Cash Equivalents, beginning	556,726	123,134	679,860
	<hr/>	<hr/>	<hr/>
Cash and Cash Equivalents, ending	545,692	120,782	666,474
	<hr/>	<hr/>	<hr/>
CASH PRESENTATION OF STATEMENTS OF NET ASSETS:			
Current Assets: Cash and cash equivalents	287,945	92,729	380,674
Restricted Assets: Cash and cash equivalents	257,747	28,053	285,800
	<hr/>	<hr/>	<hr/>
Cash and Cash Equivalents, end of year	\$ 545,692	\$ 120,782	\$ 666,474
	<hr/>	<hr/>	<hr/>

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

TOWN OF SLAUGHTER, LOUISIANA
CHANGES IN FUND NET POSITION
COMPARATIVE STATEMENTS OF CASH FLOWS (Continued)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2023

	<u>Water</u>	<u>Gas</u>	<u>Total</u>
RECONCILIATION OF OPERATING LOSS TO NET			
CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:			
Operating loss	\$ 475,301	\$ 182,665	\$ 657,966
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used for) Operating Activities:			
Depreciation	98,169	4,406	102,575
Grant revenues and contributions	(208,891)	-	(208,891)
(Increase) decrease in assets:			
Accounts receivable	(2,764)	(822)	(3,586)
Increase (decrease) in liabilities:			
Accounts payable	(9,829)	(23,999)	(33,828)
Accrued wages	880	879	1,759
Retainage payable	-	-	-
State sales tax	(1,843)	-	(1,843)
LDHH fees	626	-	626
Compensated absences	2,440	2,440	4,880
Transfer between funds	5,012	(5,089)	(77)
Payroll withholdings	-	-	-
Deferred Outflows-Pensions	(16,910)	(16,910)	(33,820)
Customer deposits	4,444	533	4,977
Deferred Inflows-Pensions	(44,576)	(44,576)	(89,152)
Net pension liability and related resources	(28,678)	(28,678)	(57,356)
Net Cash Provided by (Used for) Operating Activities	<u>\$ 273,381</u>	<u>\$ 70,849</u>	<u>\$ 344,230</u>

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

Notes to the Financial Statements

Town of Slaughter, Louisiana
Notes to the Financial Statement
As and for the Year End June 30, 2023

INTRODUCTION

The Town of Slaughter, Louisiana (hereafter referred to as the Town) was created under the provisions of the Lawrason Act, La. Revised Statute 33:321-463, in 1960. Therefore, it operates under a Mayor-Board of Aldermen form of government.

The Town was incorporated under the provisions of the Lawrason Act. The Town operates under the Mayor-Board of Aldermen form of government. The Mayor and five Alderpersons are elected at large every four years by the citizens of the Town. They are compensated for their services.

The Town provides police and fire protection, services to maintain or develop streets, sidewalks, drainage, and sanitation, general and administrative services, and utilities services for area residents. It currently serves approximately 450 utility customers and employs 13 persons (not including the mayor and board members).

Governmental Accounting Standards Board (GASB) Statement No. 14, as amended, establishes criteria for determining the reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the Town is considered a primary government, since it is a local special purpose government that has a separately elected governing body. Under provisions of this statement, there are no component units of the Town.

1. Summary of Significant Accounting Policies

A. Government-Wide and Fund Financial Statements

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

These financial statements are presented in accordance with GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*, as amended by GASB Statements described in the following paragraphs. Statement No. 34 established standards for financial reporting, with presentation requirements originally including a statement of net assets (or balance sheet), a statement of activities, and a statement of cash flows. The definition and composition of these statements, as originally defined in GASB Statement No. 34, are as amended by GASB Statements included in the following paragraphs. The Town has also adopted the provisions of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions* that require capital contributions to the Town to be presented as a change in net position.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective for financial statement periods ending after December 15, 2012, provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined *Deferred Outflows of Resources* as a consumption of net assets by the government that is applicable to a future reporting period, and *Deferred Inflows of Resources* as an acquisition of net assets by the government that is applicable to a future reporting period,

Town of Slaughter, Louisiana
Notes to the Financial Statement
As and for the Year End June 30, 2023

respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. GASB Concepts Statement 4 identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements— and Management’s Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The definition and reporting of net position is further described in *Footnote J – Net Position and Fund Equity*. As required by the Governmental Accounting Standards Board (GASB), the Town implemented GASB Statement No. 63 during the year ending June 30, 2012. The Town had deferred outflows and deferred inflows of resources related to pension of \$393,926 and \$6,315, respectively, at June 30, 2023.

The Town has also adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. See *Footnote I – Long-Term Obligations*.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are presented as separate columns in the fund financial statements.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Town of Slaughter, Louisiana
Notes to the Financial Statement
As and for the Year End June 30, 2023

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period if they are measurable and available. Only the portion of special assessment receivable, if any, due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Substantially all other revenue items are considered to be measurable and available only when cash is received by the government.

The Town reports the following major governmental funds:

The *General Fund* is the Town's primary operating fund. It accounts for and reports all financial resources not accounted for and reported in another fund.

The Town reports the following major proprietary funds:

The *Enterprise Fund* reports activity for which a fee is charged to external users for goods or services. The Enterprise Fund of the Town provides gas, water, and sewer utility services.

Additionally, the government reports the following fund types:

Special Revenue Funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. For the current fiscal year, this included one major fund.

The *Debt Service Funds* account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. For the current fiscal year, the Town did not have debt service funds.

The *Capital Project Funds* account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition of capital facilities and other capital assets. For the current fiscal year ended, the Town did not have capital project funds.

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

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

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

Town of Slaughter, Louisiana
Notes to the Financial Statement
As and for the Year End June 30, 2023

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

When restricted, committed, assigned, or unassigned fund balances are available for use, the Town considers amounts to have been spent first out of restricted funds, then committed funds, then assigned funds, and finally unassigned funds as needed, unless it has been provided for otherwise in the restriction, commitment, or assignment action.

C. Deposits and Investments

The Town’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Under state law, the Town may deposit funds in demand deposits, interest bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Investments for the Town are reported at fair market value. The state investment pool, LAMP, operates in accordance with state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares. Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the Town’s investment policy.

D. Receivables and Payables

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

Advances between funds, as reported in the fund financial statements, are offset by nonspendable fund balances in applicable governmental funds to indicate that they are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectible amounts.

E. Ad Valorem Taxes

Ad valorem taxes attach as enforceable liens on all applicable property on February 28th of each year. Taxes are levied and are billed to taxpayers in November of each year. Property taxes are levied on a calendar year basis and become due on January 1 of each year. The following is a summary of authorized and levied ad valorem taxes:

	Authorized Millage	Levied Millage	Collected Millage
General Corporate Purposes	4.49 Mills	47,529	45,243

Town of Slaughter, Louisiana
Notes to the Financial Statement
As and for the Year End June 30, 2023

The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of East Feliciana Parish. During the year ended June 30, 2023, taxes of 4.49 mils were levied on property with assessed valuations totaling \$10,585,624 and were dedicated for general purposes.

F. Sales Taxes

The Town receives 4.92% and 3.8181% of East Feliciana Parish sales tax collections for the General Fund and the Special Revenue Fund respectively. These proceeds (\$135,078 for the General Fund and \$88,643 for the Special Revenue Fund) are dedicated for the purpose of maintenance, repairs, and upkeep of the streets and sidewalks in the Special Revenue Fund and for general operating expenditures in the General Fund.

G. Restricted Assets

Certain proceeds of the enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets because their use is limited by applicable bond covenants. Additionally, funds held for customer's meter deposits are also classified as restricted assets.

Certain amounts shown as governmental restricted assets are to be used for specified purposes, such as servicing general obligation bond debt, construction of capital assets, and police seized assets. Such assets have been restricted by bond indenture, law, or contractual obligations.

H. Capital Assets

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

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

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

Town of Slaughter, Louisiana
Notes to the Financial Statement
As and for the Year End June 30, 2023

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings & Improvements	20 - 40 Years
Machinery and Equipment	5 - 15 Years
Office Furniture and Equipment	5 - 10 Years
Vehicles	5 - 10 Years
Infrastructure	20 - 40 Years
Gas System	20 - 40 Years
Water System	20 - 40 Years
Sewer System	20 - 40 Years

I. Compensated Absences

Vacation and sick leave are recorded as expenditures of the period in which they are paid. Employees earn vacation and sick leave at various rates depending upon length of employment. Vacation must be taken in the year earned and may not be carried over. Although sick leave is available for employees when needed, it does not vest nor is it payable at termination of employment.

J. Long-Term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are now expended in the period incurred under GASB 65.

The Town has implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, and with the implementation of GASB 65, the recognition of bond-related costs, including the costs related to issuance and refunding of debt, were revised. This standard was intended to complement GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are now expended in the period incurred under GASB 65.

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

K. Net Position and Fund Equity

GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments*, required reclassification of net assets into three separate components. GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources,*

Town of Slaughter, Louisiana
Notes to the Financial Statement
As and for the Year End June 30, 2023

and Net Position, revised the terminology by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. GASB Statement No. 63 requires the following components of net position:

- **Net Investment in Capital Assets Component of Net Position** - The *net investment in capital assets* component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.
- **Restricted Component of Net Position** - The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.
- **Unrestricted Component of Net Position** - The *unrestricted* component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

In the fund statements, governmental fund equity is classified as fund balance. The Town adopted GASB 54 for the year ended June 30, 2011. As such, fund balances of governmental funds are classified as follows:

- **Nonspendable.** These are amounts that cannot be spent either, because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- **Restricted.** These are amounts that can be spent only for specific purposes, because of constitutional provisions, enabling legislation or constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- **Committed.** These are amounts that can be used only for specific purposes determined by a formal vote of the Board, which is the highest level of decision-making authority for the Town.
- **Assigned.** These are amounts that do not meet the criteria to be classified as restricted or committed, but are intended to be used for specific purposes based on the discretion of the Board.
- **Unassigned.** These are amounts that have not been assigned to other funds and amounts that have not been restricted, committed, or assigned to specific purposes within the general fund. Also, within other governmental funds, these include expenditure amounts incurred for specific purposes which exceed the amounts restricted, committed or assigned for those purposes.

Town of Slaughter, Louisiana
Notes to the Financial Statement
As and for the Year End June 30, 2023

L. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the municipality, which are either unusual in nature or infrequent in occurrence.

M. Estimates

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

N. Reconciliations of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position is presented in Statement D of the basic financial statements. Explanation of certain differences between the governmental fund statement of revenues, expenses, and changes in fund balances and the government-wide statement of activities is presented in Statement F of the basic financial statements.

O. New Accounting Pronouncements

For 2023, the Town implemented GASB Statement No 8, *Leases*. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease assets.

2. Stewardship, Compliance and Accountability

The Town uses the following budget practices:

1. The Town Clerk prepares a proposed budget and submits same to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.

Town of Slaughter, Louisiana
Notes to the Financial Statement
As and for the Year End June 30, 2023

5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving the increase in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for the general and enterprise funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets for enterprise funds are presented on the accrual basis of accounting. Other governmental funds are presented on the modified accrual basis of accounting. Accordingly, the budgetary comparison schedules present actual expenditures in accordance with the accounting principles generally accepted in the United States on a basis consistent with the legally adopted budgets as amended. All budgetary amounts presented reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

The proposed budget for June 30, 2023 was made available for public inspection and was adopted at the Town’s board meeting. The budget was amended.

The special revenue fund revenues and other sources were not in compliance with the Local Government Budget Act which stipulate that revenues and other sources cannot be under budget by 5%. The general fund revenues and other sources were in compliance. The general fund expenditures and other uses were not in compliance with the Local Government Budget Act which stipulate that expenditures and other uses cannot be over budget by 5%. The special revenue fund expenditures and other uses were in compliance.

3. Cash and Cash Equivalents

At June 30, 2023, the Town had the following cash and cash equivalents:

Petty cash	\$	400
Demand Deposits		572,569
Louisiana Asset Management Pool (LAMP)		574,633
Total		\$ 1,147,602

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

Custodial credit risk as it relates to cash deposits is the risk that in the event of a bank failure, the government’s deposits may not be returned. At June 30, 2023, the Town has deposits (collected bank balances) at Investar Bank in the amount of \$579,355. The demand deposits are secured from risk by \$250,000 of federal deposit insurance and \$329,355 of pledged securities. The \$329,355 is exposed to

Town of Slaughter, Louisiana
Notes to the Financial Statement
As and for the Year End June 30, 2023

custodial credit risk because while the amount is secured by pledged securities, such securities are held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the municipality that the fiscal agent has failed to pay deposited funds upon demand.

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Town does not have a formal policy for custodial risk. However, under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank.

4. Louisiana Asset Management Pool (LAMP)

In accordance with GASB 72, the investment in the Louisiana Asset Management Pool (LAMP) at June 30, 2021, is not categorized in the three risk categories provided by GASB Codification Section I50.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. The investment in LAMP is stated at the value of the pool shares, which is the same as the fair value. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. The corporation is governed by a board of directors comprised of the State Treasurer, representatives from various organizations of local government, the Government Finance Office Association of Louisiana, and the Society of Louisiana CPAs. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest.

LAMP is subject to the regulator oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955.

GASB 40, *Deposit and Investment Risk Disclosure*, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

LAMP is a 2a7 – like investment pool. The following facts are relevant for 2a7 like investment pools:

1. Credit risk: LAMP is rated AAAM by Standards and Poor's.
2. Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

Town of Slaughter, Louisiana
Notes to the Financial Statement
As and for the Year End June 30, 2023

3. Concentration of credit risk: Pooled investments are excluded from the five percent disclosure requirement.
4. Interest rate risk: 2a7-like investment pools are excluded from this disclosure requirement per paragraph 15 of the GASB 40 statement. However, LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments, as provided by LAMP, is 56 days as of June 30, 2023.
5. Foreign currency risk: Not applicable to 2a7-like pools.

LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. LAMP, Inc., issues an annual publicly available financial report that includes financial statements and required supplementary information for LAMP, Inc. That report may be obtained by calling (800) 249-5267.

5. Receivables

Major receivables balances for the governmental activities include sales taxes, franchise taxes, occupational licenses, and fines. Business-type activities report utilities earnings as their major receivable.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise taxes, occupational licenses, fines, and other similar intergovernmental revenues since they are usually both measurable and available. Utility accounts receivable comprise the majority of proprietary fund receivables. The Town's utility receivables have a portion in which it does not expect to collect, and therefore an allowance has been placed as shown below.

Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging and write-off of accounts receivable.

Town of Slaughter, Louisiana
Notes to the Financial Statement
As and for the Year End June 30, 2023

<u>Class</u>	<u>General Fund</u>	<u>Special Revenue</u> <u>Fund</u>	<u>Enterprise Fund</u>	<u>Total</u>
Accounts	\$ -	\$ -	\$ 65,800	\$ 65,800
Taxes:				
Franchise	17,065	-	-	17,065
Beer	343	-	-	343
Property	13	-	-	13
Sales	23,481	15,409	-	38,890
Sub-total	40,902	15,409	-	56,311
Less: Allowance for doubtful accounts	-	-	(27,024)	(27,024)
Net	\$ 40,902	\$ 15,409	\$ 38,776	\$ 95,087

6. Interfund Receivables/Payables

The following is a detailed list of interfund balances for fund financial statements on June 30, 2023:

Town of Slaughter, Louisiana
Notes to the Financial Statement
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	Receivable	Payable
General Fund		
Streets and Sidewalks	\$ 19,981	\$ -
Gas	88,937	-
Water	13,119	-
 Special Revenue Funds		
Streets and Sidewalks		
General Fund	-	19,981
Gas	-	-
Water	-	-
 Gas		
Streets and Sidewalks	-	-
General Fund	-	88,937
Water	43,150	-
 Water		
Streets and Sidewalks	-	-
General Fund	-	13,119
Gas	-	43,150
Total	\$ 165,187	\$ 165,187

8. Restricted Assets

The following is a listing of the restricted assets for the fund financial statements on June 30, 2023:

	Special Revenue Fund	Enterprise Fund	Total
Sales Tax Account	\$ 242,797	\$ -	\$ 242,797
Meter Deposits	-	80,012	80,012
Revenue bond sinking fund	-	44,691	44,691
American Rescue Plan	-	161,097	161,097
Total restricted assets	\$ 242,797	\$ 285,800	\$ 528,597

9. Capital Assets

The following is a summary of the changes in capital assets for governmental activities for the fiscal year ended June 30, 2023:

Town of Slaughter, Louisiana
Notes to the Financial Statement
As and for the Year End June 30, 2023

	Beginning Balance	Additions	Deductions	Ending Balance
Governmental Activities				
Capital Assets, not being depreciated				
Land	\$ 174,189	\$ -	\$ -	\$ 174,189
Capital Assets, being depreciated				
Buildings and improvements	523,985	-		523,985
Less: accumulated depreciation	228,078	13,195	-	241,273
Net Building and Improvements	295,907	(13,195)	-	282,712
Infrastructure	452,848	70,000		522,848
Less: accumulated depreciation	327,308	22,843		350,151
Net Sidewalks/Drainage	125,540	47,157	-	172,697
Equipment and Vehicles	2,438,321	-		2,438,321
Less: accumulated depreciation	1,772,704	123,215		1,895,919
Net Equipment	665,617	(123,215)	-	542,402
Total Capital Assets, being depreciated, net	1,087,064	(89,253)	-	997,811
Capital Assets, net	\$ 1,261,253	\$ (89,253)	\$ -	\$ 1,172,000

Depreciation was charged as governmental functions as follows:

General government	\$ 66,070
Police	34,061
Fire	32,348
Streets and Sidewalks	26,774
Total	<u>\$ 159,253</u>

Significant capital additions for the year ending June 30, 2023 consisted of costs of the Holly Drive rehabilitation project for \$70,000.

Capital assets and depreciation activity as of and for the year ended June 30, 2023, for business-type activities is as follows:

Town of Slaughter, Louisiana
Notes to the Financial Statement
As and for the Year End June 30, 2023

	Beginning Balance	Additions	Deductions	Ending Balance
Business Activities				-
Capital Assets, not being depreciated				-
Construction in Progress	\$ 50,925	\$ -	\$ (50,925)	-
				-
Capital Assets, being depreciated				-
				-
Vehicles	\$ 123,660	\$ 14,683	\$ -	138,343
Less: accumulated depreciation	86,531	2,447	-	88,978
Net Vehicles	37,129	12,236	-	49,365
Gas system	123,859	-	-	123,859
Less: accumulated depreciation	59,094	4,406	-	63,500
Net Gas system	64,765	(4,406)	-	60,359
Water system	2,780,841	258,051	-	3,038,892
Less: accumulated depreciation	1,586,514	95,722	-	1,682,236
Net Water system	1,194,327	162,329	-	1,356,656
Total Capital Assets, being depreciated, net	1,296,221	170,159	-	1,466,380
				-
Capital Assets, net	\$ 1,347,146	\$ 170,159	\$ (50,925)	\$ 1,466,380

Depreciation was charged as governmental functions as follows:

Gas	\$ 4,406
Water	98,169
Total	<u>\$ 102,575</u>

Significant capital additions for the year ending June 30, 2023, consisted of costs of the Holly Drive rehabilitation project placed in service for \$110,592, Meadowbrook subdivision drainage improvements for \$147,500, and a Polaris UTV for \$14,683.

10. Accounts, Salaries, and Other Payables

The payables at June 30, 2023 are as follows:

Town of Slaughter, Louisiana
Notes to the Financial Statement
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	Speical				
	General Fund	Revenue Fund	Water	Gas	Total
Accounts	\$ 11,556	\$ 1,827	\$ 7,844	\$ 3,125	\$ 24,352
Accrued Wages	8,054	-	1,869	1,869	11,792
Compensated Absences	11,140	-	4,313	4,313	19,766
Payroll liabilities	9,112	-	-	-	9,112
Customer deposits	-	-	51,959	28,053	80,012
Total	<u>\$ 39,862</u>	<u>\$ 1,827</u>	<u>\$ 65,985</u>	<u>\$ 37,360</u>	<u>\$ 145,034</u>

11. Short Term Obligations

The Town had no short-term debt outstanding at June 30, 2023, other than the current portions of revenue bonds payables and capital leases described in Note 13 *Long-Term Obligations*.

12. Leases

The Town records items under leases as an asset and an obligation in the accompanying financial statements. Further details of the transaction are described in Note 17. At June 30, 2023, the Town had the following capital leases:

	<u>End of Year</u>	<u>Due Within One Year</u>
The Town entered into a lease agreement to purchase a custom pumper truck for a total lease amount of \$80,000. The lease is payable in 10 yearly payments of \$9,862.29. The truck is being depreciated over its estimated useful life. This portion of the lease is recorded within the governmental funds as a lease payable in the General fund.	\$ 51,703	\$ 7,795
	<u>\$ 51,703</u>	<u>\$ 7,795</u>

Lease expense for the year ending June 30, 2023 is as follows:

Amortization by class:	
Equipment	<u>\$ 32,195</u>
Total amortization expense	<u>32,195</u>
Interest on lease liabilities	<u>2,337</u>
Total	<u>\$ 34,532</u>

13. Long-Term Obligations

Town of Slaughter, Louisiana
Notes to the Financial Statement
As and for the Year End June 30, 2023

The following is a summary of long-term obligation transactions for the year ended June 30, 2023:

	Governmental Activities			Business-type Activities			Total Long-Term Obligations
	Current	Long Term	Total	Current	Long Term	Total	
	Portion	Portion		Portion	Portion		
Lease Payable	\$ 7,795	\$ 43,908	\$ 51,703	\$ -	\$ -	\$ -	\$ 51,703
Revenue Bonds	-	-	-	95,000	955,000	1,050,000	1,050,000
Net Pension Liability	-	367,356	367,356	-	48,946	48,946	416,302
Ending Balance	\$ 7,795	\$ 411,264	\$ 419,059	\$ 95,000	\$ 1,003,946	\$ 1,098,946	\$ 1,518,005

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of the long-term obligations:

	Governmental Activities		Business-type Activities		Total Long-Term Obligations
	Lease	Revenue	Lease	Revenue	
	Payable	Bonds	Payable	Bonds	
Beginning Balance	\$ 59,199	\$ -	\$ -	\$ 1,145,000	\$ 1,204,199
Additons	-	-	-	-	-
Retirements	(7,496)	-	-	(95,000)	(102,496)
Ending Balance	\$ 51,703	\$ -	\$ -	\$ 1,050,000	\$ 1,101,703

Bonds Payable as of June 30, 2023, are as follows:

Business Type	End of Year	Due Within One Year
\$1,245,000 Water Revenue Refunding Bonds, Series 2021, payable, due in annual installments of \$65,000 through \$105,000 through June 1, 2036; interest rate of 1.89%%; payable from water system revenues	\$ 1,050,000	\$ 95,000
	<u>\$ 1,050,000</u>	<u>\$ 95,000</u>

The annual requirements to amortize all debt outstanding at June 30, 2023, including interest payments are as follows:

Town of Slaughter, Louisiana
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Water Revenue Bonds			
Year	Principal	Interest	Total
2024	95,000	19,845	\$ 114,845
2025	100,000	18,050	118,050
2026	105,000	16,160	121,160
2027	105,000	14,175	119,175
2028	105,000	12,191	117,191
2029 to 2033	330,000	38,745	368,745
2034 to 2038	210,000	7,938	217,938
Total	\$ 1,050,000	\$ 127,104	\$ 1,177,104

Lease Liability			
Year	Principal	Interest	Total
2024	7,795	2,067	\$ 9,862
2025	8,107	1,755	9,862
2026	8,431	1,431	9,862
2027	8,768	1,094	9,862
2028	9,119	744	9,863
2029	9,483	379	9,862
Total	\$ 51,703	\$ 7,470	\$ 59,173

14. Flow of Funds: Restrictions on Use-Water Revenue Bonds

Water Revenue Refunding Bonds, Series 2021

On September 21, 2021, the Town signed an ordinance for the incurring of debt and issuance of \$1,245,000 of Water Revenue Refunding Bonds, Series 2021. The proceeds were used to refund the outstanding bond issues of Water Revenue Refunding Bonds Series 2007A bonds (amount outstanding of \$899,489.60) and Water Revenue Refunding Bonds Series 2009 Bonds (amount outstanding of \$640,523.00). The Bonds will be secured and payable from an irrevocable pledge and dedication of water system net revenues. The Bonds were approved by the State Bond Commission on August 19, 2021. An account "Bonds Proceeds Fund" will be used for the delivery of the proceeds. The proceeds total \$1,199,851.28 and were used to redeem the outstanding bonds. Bond issuance costs of \$43,447 were incurred. Below are the uses of the funds

Town of Slaughter, Louisiana
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Cost of issuance	\$ 40,947
Advertising	2,500
Deposit to current refunding fund	1,199,851
Rounding Amount	1,702
Total uses of funds	\$ 1,245,000

The covenants require the establishment of a separate fund identified as Series 2021 Water Revenue Refunding Bond Debt Service Fund. On or before the 20th day of each month, or if such day is not a business day, the next succeeding business day, commencing on October 20, 2021, the Town will transfer to the Debt Service Fund, one-half of the amount required to pay interest payable on the bonds on December 1, 2021, and one-eighth of the amount required to pay principal on June 1, 2022, and commencing on December 20, 2021, and thereafter, the Town shall transfer or cause to be transferred to the Debt Service Fund one-sixth of the amount required to pay interest payable on the Bonds on the next interest payment date and commencing on June 20, 2022, and thereafter, the Town shall transfer or cause to be transferred to the Debt Service Fund, one-twelve of the amount required to pay principal payable on the bonds on the next principal date. The Town made the required deposits and the Debt Service Fund was fully funded on June 30, 2023.

Article 7, additional parity obligations, Section 7.1 (b) (i) stipulates: “The Water System Net Revenues for the most recently completed Fiscal Year immediately preceding the year in which such Additional Parity Obligations are to be issued, adjusted to reflect any rate increases which have been adopted and will be in effect prior to or coincident with the issuance of such Additional Parity Obligations determined pro forma as though such rate increases had been in continuous effect during the preceding twelve (12) month period have been not less than one hundred twenty percent (120%) of the Maximum Annual Debt Service for the Bonds and the proposed Additional Parity Obligations, along with any other Additional Parity Obligations theretofore issued and then outstanding (but not including any bonds which have been refunded or provisions otherwise made for their full and complete payment and redemption); provided however, that this limitation may be waived or modified with the prior written consent of the owners of the Bonds and any Additional Parity Obligations then outstanding. The calculations of “*Water System Net Revenues*” may also be adjusted to reflect projected customer increases based on the report of a consulting engineer.” The Town exceeded the requirement.

15. Retirement Systems

Employees of the Town are members of the Municipal Employees Retirement System of Louisiana. The Town was a participant of the Municipal Police Employees Retirement System of Louisiana. These systems are a cost-sharing, multiple-employer public employee retirement system (PERS), controlled and administered by a separate board of trustees.

The Town implemented Governmental Accounting Standards Board (GASB) Statement 68 on *Accounting and Financial Reporting for Pensions* and Statement 71 on *Pension Transition for Contributions Made Subsequent to the Measurement Date* –an amendment of GASB 68. These standards require the Town to record its proportional share of each of the pension plans’ net pension liability and report the following disclosures:

Town of Slaughter, Louisiana
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A. Municipal Employee Retirement System of Louisiana (System)

Plan Description. The System was established and provided for by R.S. 11:1731 of the Louisiana Revised Statutes (LRS). The System provides retirement benefits to employees of all incorporated villages, towns, and cities within the State which do not have their own retirement system and which elect to become members of the system.

Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least thirty-five hours per week. Those individuals paid jointly by a participating employer and the parish are not eligible for membership in the System with exceptions as outlined in the statutes.

The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan A. On July 20, 2021, the Town passed resolution 2-2021 change from Plan A to Plan B provisions of the Municipal Employees Retirement System of Louisiana. The resolution took effect July 19, 2021. The System accepted the boards resolution on August 19, 2021.

Retirement Benefits:

Benefit provisions are authorized within Act 356 of the 1954 regular session and amended by LRS 11:1756-11:1785. The following brief description is of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Any member of Plan B who commenced participation in the System prior to January 1, 2013 can retire providing he meets one of the following criteria:

1. Any age with thirty (30) years of creditable service.
2. Age 60 with a minimum of ten (10) or more years of creditable service.

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

Any member of Plan B Tier 2 shall be eligible for retirement if he meets one of the following criteria:

1. Age 67 with seven (7) years of creditable service.
2. Age 62 with ten (10) years of creditable service.
3. Age 55 with thirty (30) years of creditable service.
4. Any age with twenty-five (25) years of creditable service, exclusive of military service and unused annual and sick leave, with an actuarially reduced early benefit.

The monthly amount of the retirement allowance for any member of Plan B Tier 2 shall consist of an amount equal to two percent of the member's final compensation multiplied by his years of creditable

Town of Slaughter, Louisiana
Notes to the Financial Statement
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service. Final compensation is the average monthly earnings during the highest sixty consecutive months or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

Survivor Benefits:

Upon the death of any member of Plan B with five (5) or more years of creditable service, not eligible for normal retirement, the plan provides for benefits for the surviving spouse as outlined in the statutes.

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

DROP Benefits:

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

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

Disability Benefits:

For Plan B, a member shall be eligible to retire and receive a disability benefit if he has at least ten years of creditable service, is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan B shall be paid a disability benefit equal to the lesser of (1) an amount equal to two percent of his final compensation multiplied by his years of creditable service, but not less than thirty percent of his final compensation, or (2) an amount equal to what the member's normal retirement benefit would be based on the member's current final compensation, but assuming the member remained in continuous service until his earliest normal retirement age and using those retirement benefit computation factors which would be applicable to the member's normal retirement.

Cost of Living Increases:

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

Deferred Benefits:

Both Plans provide for deferred benefits for members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement; benefits become payable. Benefits are based on statutes in effect at time of withdrawal.

The System issues an annual publicly available financial report that includes financial statements and required supplemental information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or calling (225) 925-4810 or at www.mersla.com.

Funding Policy. Under Plan B, members are required by state statute to contribute 5.00% of their annual covered salary and the Town of Slaughter is required to contribute at an actuarially determined rate. The current rate for Plan B is 15.50% of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans) of the taxes shown to be collectible by the tax rolls of each parish. Tax monies are apportioned between Plan A and Plan B in proportion to salaries of plan participants. Tax monies received from East Baton Rouge Parish are apportioned between the Municipal Employees' Retirement System and the Employees' Retirement System of the City of Baton Rouge. The System also receives revenue sharing funds each year as appropriated by the Legislature. These additional sources of income are used as additional employer contributions and considered support from non-employer contributing entities, but are not considered special funding situations. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended June 30, 2022. During the year ending June 30, 2023, the Town recognized revenue as a result of support received from non-employer contributing entities of \$4,882 for its participation in MERS-Plan B.

The Town's contributions to the System under Plan B for the years ending June 30, 2023 and 2022 were \$27,389, and \$24,320 respectively, equal to the required contributions for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2023, the Town reported a liability of \$147,506 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contribution of all participating, actuarially determined. At June 30, 2022, the Town's proportion was 0.1680061%, which was an increase of 0.094574% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the Town recognized pension expense for the MERS System of (\$224,618) representing its proportionate share of the System's net expense, including amortization of deferred amounts.

At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to the MERS pension system from the following sources:

Town of Slaughter, Louisiana
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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 27,128	\$ (1,876)
Changes of Assumptions	1,578	-
Net difference between projected and actual earnings on pension plan investments	-	
Changes in proportion and differences between Employer contributions and proportionate share of contributions	71,692	
Employer contributions subsequent to the measurement date	25,137	-
Total	\$ 125,535	\$ (1,876)

The Town reported a total of \$25,137 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2023 which will be recognized as a reduction in net pension liability in the year ended June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year</u>	
2023	\$ (82,787)
2024	(75,387)
2025	461
2026	2,309
	\$ (155,404)

Actuarial Assumptions. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2023 is as follows:

Valuation Date June 30, 2022
Actuarial Cost Method Entry Age Normal

Actuarial Assumptions:

Expected Remaining Service Lives	3 years
Investment Rate of Return	6.85%, net of pension plan investment expense, including Inflation.
Inflation Rate	2.5%
Salary increases, including Inflation and merit increases:	
-1 to 4 years of service	6.4%-Plan A and 7.4% Plan B
-More than 4 years of Service	4.5%-Plan A and 4.9% Plan B

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Annuitant and beneficiary mortality	PubG-2010(B) Healthy Retiree Table set to equal to 120% For males and females, each adjusted using their respective male and female MP2018 scales.
Employee mortality	PubG-2010(B) Healthy Retiree Table set to equal to 120% For males and females, each adjusted using their respective male and female MP2018 scales.
Disabled lives mortality	PubG-2010(B) Healthy Retiree Table set to equal to 120% For males and females, with the full generational MP2018 scales.

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

Best estimates of arithmetic real rates of return for each major asset class included in the System’s target asset allocation as of June 30, 2023 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	53%	2.31%
Public Fixed Income	38%	1.65%
Alternatives	9%	0.39%
Totals	<u>100%</u>	<u>4.35%</u>
Inflation		<u>2.60%</u>
Expected Arithmetic Nominal Rate		<u>6.95%</u>

The discount rate used to measure the total pension liability was 6.85%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems’ Actuarial Committee. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The effects of certain other changes in the net pension liability are required to be included in pension expense over the current future periods. The effects on the total pension liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual

Town of Slaughter, Louisiana
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experience are required to be included in pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are proved with benefits through the pension plan (active employees and inactive employees), determined as of the beginning of the measurement period. The effect on net pension liability of differences between the projected earning on pension plan investments and actual experience with regard to those earnings is required to be included in pension expense in a systematic and rational manner over a closed period of five years, beginning with the current period. The Expected Remaining Service Lives (ERSL) for 2021 is 3 years for Plan A and B.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the participating employers calculated using the discount rate of 6.85%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate as of June 30, 2023:

	1% Decrease	Current Discount Rate	1% Increase
Rates	5.850%	6.850%	7.850%
Town of Slaughter Share of NPL	\$ 201,079	\$ 147,506	\$ 102,197

Payable to the Pension Plan. At June 30, 2023, the Town reported a payable of \$2,824 for outstanding contributions to the pension plan required for the year ended June 30, 2023.

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

Plan Description. The Municipal Police Employees' Retirement System (System) is a cost-sharing multiple-employer defined benefit pension plan established by Act 189 of 1973 to provide retirement, disability, and survivor benefits to municipal police officers in Louisiana.

Membership is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrest, providing he does not have to pay social security and providing he meets the statutory criteria.

Retirement Benefits:

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

Membership Prior to January 1, 2013: A member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years creditable service and is age 55. A member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age with an actuarially reduced benefit.

Town of Slaughter, Louisiana
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Benefit rates are three and one-third percent of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from forty to sixty percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives benefits equal to ten percent of the member's average final compensation or \$200 per month, whichever is greater.

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

Under the Non-Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55.

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

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

Cost of Living Adjustments:

The Board of Trustees is authorized to provide annual cost-of-living adjustments computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility.

No regular retiree, survivor or beneficiary shall be eligible to receive a cost-of-living adjustment until benefits have been received at least one full fiscal year and the payment of such COLA, when authorized, shall not be effective until the lapse of at least one-half of the fiscal year. Members who elect early retirement are not eligible for a cost-of-living adjustment until they reach regular retirement age.

A COLA may only be granted if funds are available from interest earnings in excess of normal requirements, as determined by the actuary.

Deferred Retirement Option Plan:

Town of Slaughter, Louisiana
Notes to the Financial Statement
As and for the Year End June 30, 2023

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

Initial Benefit Option Plan:

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

The System issues an annual publicly available financial report that includes financial statements and required supplemental information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (225) 929-7411 or at www.lampers.org.

Funding Policy. According to state statute, the Town is required to contribute at an actuarially determined rate but cannot be less than 9% of the employee's earnable compensation excluding overtime but including state supplemental pay. For the year ended June 30, 2023, total contributions due for employers and employees were 41.25%. The employer and employee contribution rates for members hired prior to January 1, 2013 and Hazardous Duty members hired after January 1, 2013 were 31.25% and 10%, respectively. The employer and employee contribution rates for all Non-Hazardous Duty members hired after January 1, 2013 were 31.25% and 8%, respectively. The employer and employee contribution rates for members whose earnable compensation is less than or equal to poverty guidelines issued by the U.S. Department of Health and Human Services were 33.75% and 7.50%, respectively.

The System also receives insurance premium tax monies as additional employer contributions and considered support from a non-contributing entity. This tax is appropriated by the legislature each year based on an actuarial study. This additional source of income is used as additional employer contributions and considered support from non-employer contributing entities, but is not considered a special funding situation. Non-employer contributions are recognized as revenue and excluded from pension expense for the year ended June 30, 2023. The Town had \$6,198 in non-employer contributions for the year.

The Town contributed \$28,374 and \$27,541 funds to the System for the years ending June 30, 2023 and 2022 respectively.

Town of Slaughter, Louisiana
Notes to the Financial Statement
As and for the Year End June 30, 2023

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2023, the Town reported \$284,789 in net pension liability for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contribution of all participating, actuarially determined. At June 30, 2023, the Town's proportion was 0.027861%, which was an increase of 0.022720% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the Town recognized pension expense for the MPERS System of \$78,682 representing its proportionate share of the System's net expense, including amortization of deferred amounts.

At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to the MPERS pension system from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,405	\$ (2,321)
Changes of Assumptions	9,824	(2,118)
Net difference between projected and actual earnings on pension plan investments	50,844	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	177,944	-
Employer contributions subsequent to the measurement date	28,374	-
Total	\$ 268,391	\$ (4,439)

The Town reported a total of \$28,374 deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year</u>	
2023	\$ 70,390
2024	69,326
2025	46,585
2026	26,668
	\$ 212,968

Actuarial Assumptions. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2023, is as follows:

Valuation Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal

Town of Slaughter, Louisiana
Notes to the Financial Statement
As and for the Year End June 30, 2023

Actuarial Assumptions:

Investment Rate of Return	6.750%, net of investment expense
Expected Remaining Service Lives	2019, 2020, 2021 and 2022- 4 years
Inflation Rate	2.50%

	<u>Years of Service</u>	<u>Salary Growth Rate</u>
Salary increases, including inflation and merit	1-2	12.30%
	Above 2	4.70%

Mortality For annuitants and beneficiaries, the Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.

For disable lives, the Pub-2010 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used.

For employees, the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each full generational projecting using the MP2019 scale was used.

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

The mortality rate assumption used was set based upon an experience study for the period of July 1, 2014 through June 30, 2019. A change was made full generational mortality which combines the use of a base mortality table with appropriate mortality improvement scales. In order to set the base mortality table, actual plan mortality experience was assigned a credibility weighting and combined with a standard table to produce current levels of mortality.

Best estimates of arithmetic nominal rates of return for each major asset class included in the System's target asset allocation as of June 30, 2023, are summarized in the following table:

Town of Slaughter, Louisiana
Notes to the Financial Statement
As and for the Year End June 30, 2023

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Equity	55.50%	3.60%
Fixed Income	30.50%	0.85%
Alternatives	14.00%	0.95%
Other	0.00%	0.00%
Totals	100.00%	5.40%
Inflation		2.66%
Expected Arithmetic Nominal Rate		8.06%

The discount rate used to measure the total pension liability was 6.750%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System’s actuary. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Employer’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the participating employers calculated using the discount rate of 6.750%, as well as what the employers’ net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate as of June 30, 2023:

	1% Decrease	Current Discount Rate	1% Increase
Rates	5.750%	6.750%	7.750%
Town of Slaughter Share of NPL	\$ 25,624	\$ 284,789	\$ 6,198

Payable to the Pension Plan. At June 30, 2023, the Town reported a payable of \$2,607 for outstanding contributions to the pension plan required for the year ended June 30, 2023.

16. Interfund Transfers

Interfund transfers for the year ended June 30, 2023, consisted of the following. The principal purpose of the transfers between funds is to fund expenditures associated with those funds.

Town of Slaughter, Louisiana
Notes to the Financial Statement
As and for the Year End June 30, 2023

	Transfers In	Transfers Out
General Fund		
Streets and Sidewalks	\$ -	\$ -
Water	103,270	-
Gas	50,000	-
Special Revenue Funds		
Streets and Sidewalks		
General Fund	-	-
Water	5,903	-
Gas	-	-
Enterprise Fund		
Streets and Sidewalks	-	5,903
General Fund	-	153,270
Total	\$ 159,173	\$ 159,173

17. Purchase of Pumper Truck

On August 18, 2017, the Town of Slaughter entered into a lease purchase agreement for the acquisition of a 2017 custom pumper truck. The total purchase price was \$481,984. The acquisition was handled in three transactions:

- 1) The Slaughter Volunteer Fire Department, Inc., a 501(c)4 organization, received a Pennington Foundation grant for \$350,000. These funds were used to acquire the truck.
- 2) The Slaughter station under the Parish-Wide East Feliciana Fire District umbrella paid \$52,923.90 towards the truck.
- 3) The remainder of \$80,000 owed was financed through a lease purchase agreement with the Town of Slaughter named as the lessee. The lease terms are yearly payments of \$9,862.29 commencing on August 18, 2018 and ending on August 18, 2027.

The lease will be paid with the Slaughter station Parish-Wide East Feliciana Fire District account each year as the payments are due. A copy of the title was obtained. The purchaser is labeled as the Town of Slaughter and the lienholder is Patterson State Bank. The Town has recorded the asset and related lease payable on the financial statements. As the payments are made with District funds, the Town will reduce the liability and record the payment as revenue. During the fiscal year of June 30, 2022, principal payments of \$7,496 and interest payments of \$2,337 were paid. The Town recognized \$9,833 in capital transfers from the Parish-wide Fire District.

Town of Slaughter, Louisiana
Notes to the Financial Statement
As and for the Year End June 30, 2023

18. Fund Balances and Net Position

The General Fund has assigned fund balance for police protection in the amount of \$43,710. The Restricted fund balance is \$236,398. This is restricted due to legislation for sales taxes for streets and sidewalks. The unassigned fund balance in the governmental funds is \$328,838. The Enterprise Fund had restricted net position for grant proceeds in the amount of \$161,097 and for debt service accounts as required by bond covenants in the amount of \$44,691. The Enterprise Fund has net position that is investment in capital assets net of related debt in the amount of \$416,380. The Enterprise Fund has unrestricted net position of \$307,593.

19. On-Behalf Payments

For the fiscal year ended June 30, 2023, the State of Louisiana made on behalf payments in the form of supplemental pay to the Town's policemen. In accordance with GASB 24, the Town recorded \$32,040 of on behalf payments as revenue and as an expenditure in the General Fund.

20. Risk Management

The Town is exposed to various risks of loss related to theft, damage, or destruction of assets, torts, injuries, natural disasters, and many other unforeseeable events. The Town purchases commercial insurance policies and bonds for any and all claims related to the aforementioned risks. The Town's payment of the insurance policy deductible is the only liability associated with these policies and bonds. There has been no significant decrease in insurance coverage from the prior year, and the amount of settlements has not exceeded the insurance coverage for the past three fiscal years.

Town of Slaughter, Louisiana
Notes to the Financial Statement
As and for the Year End June 30, 2023

21. Contingent Liabilities

At June 30, 2023, the Town was not involved in any outstanding litigation or claims.

22. Commitments

The Town received \$167,818 in American Rescue Plan Funding, \$70,000 in LGAP Funds, and \$35,000 in Act 120 funds. The Town also received funding from Pennington grants in the amount of \$25,800 for various uses.

23. COVID 19 Pandemic

In January 2021, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern," which has spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The outbreak could have a continued material adverse impact on economic and market conditions. There continues to be no prediction as to the ultimate material adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the District and its financial results.

24. Prior Period Adjustment

The enterprise fund net beginning net assets were adjusted due to the following:

	<u>Enterprise</u>
Net assets, enterprise fund	\$ 444,599
Adjustment for receivables	<u>(6,208)</u>
Revised beginning net assets	<u>\$ 438,391</u>

Town of Slaughter, Louisiana
Notes to the Financial Statement
As and for the Year End June 30, 2023

25. Subsequent Events

Management has evaluated subsequent events through December 21, 2023, the date on which the financial statements were available to be issued. No other events were noted that require recording or disclosure in the financial statements for the fiscal year ending June 30, 2023.

Required Supplemental Information (Part II)

**TOWN OF SLAUGHTER, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 202**

<u>REVENUES</u>	General Fund			
	Budgeted Amounts		Actual Amounts	Variance
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	Favorable (Unfavorable)
Fines and other court costs	\$ 75,450	\$ 77,550	\$ 89,390	\$ 11,840
Franchise fees	65,000	80,000	79,526	(474)
Interest earned	400	400	1,146	746
Intergovernmental	-	-	9,832	9,832
On-behalf payments	-	-	32,040	32,040
Licenses and permits	51,000	64,000	98,430	34,430
Other	4,850	10,354	3,878	(6,476)
Cell phone tower rental	9,600	9,600	9,924	324
Taxes-beer	1,500	1,500	1,479	(21)
Taxes-property	42,500	45,000	45,243	243
Taxes-sales	105,000	120,000	135,078	15,078
Total Revenues	<u>355,300</u>	<u>408,404</u>	<u>505,966</u>	<u>97,562</u>
 <u>EXPENDITURES</u>				
General government	238,940	254,710	279,934	(25,224)
Public safety:				
Police	285,260	315,075	339,578	(24,503)
Fire	71,750	86,645	48,011	38,634
Public works	-	-	-	-
Lease Payments	-	-	33,341	(33,341)
Capital outlay	-	-	-	-
Total Expenditures	<u>\$ 595,950</u>	<u>\$ 656,430</u>	<u>\$ 700,864</u>	<u>\$ (44,434)</u>
Deficiency of Revenues over Expenditures Before Other Financing Sources (Uses)	<u>\$ (240,650)</u>	<u>\$ (248,026)</u>	<u>\$ (194,898)</u>	<u>\$ 53,128</u>
 <u>OTHER FINANCING SOURCES (USES)</u>				
Grants and other contributions	-	5,800	5,800	-
Operating transfers, net	180,000	180,000	153,270	(26,730)
Net Other Financing Sources (Uses)	<u>180,000</u>	<u>185,800</u>	<u>159,070</u>	<u>(26,730)</u>
Change in Fund Balances	(60,650)	(62,226)	(35,828)	26,398
Fund Balances, beginning	<u>408,376</u>	<u>408,376</u>	<u>408,376</u>	<u>-</u>
Fund Balances, ending	<u>\$ 347,726</u>	<u>\$ 346,150</u>	<u>\$ 372,548</u>	<u>\$ 26,398</u>

See Independent Auditor's Report

TOWN OF SLAUGHTER, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2023

<u>REVENUES</u>	Special Revenue Fund Streets and Sidewalks			
	Budgeted Amounts		Actual Amounts	Variance
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	Favorable (Unfavorable)
Interest earned	\$ -	\$ -	\$ 814	\$ 814
Taxes-sales	65,000	70,000	88,643	18,643
Total Revenues	65,000	70,000	89,457	19,457
<u>EXPENDITURES</u>				
Public works	29,510	158,996	62,256	96,740
Capital outlay	-	70,000	70,000	-
Total Expenditures	\$ 29,510	\$ 228,996	\$ 132,256	\$ 96,740
Deficiency of Revenues over Expenditures Before Other Financing Sources (Uses)	\$ 35,490	\$ (158,996)	\$ (42,799)	\$ 116,197
<u>OTHER FINANCING SOURCES (USES)</u>				
Grants and other contributions	-	191,594	105,000	(86,594)
Operating transfers, net	-	-	(5,903)	(5,903)
Net Other Financing Sources (Uses)	-	191,594	99,097	(92,497)
Change in Fund Balances	35,490	32,598	56,298	23,700
Fund Balances, beginning	180,100	180,100	180,100	-
Fund Balances, ending	\$ 215,590	\$ 212,698	\$ 236,398	\$ 23,700

See Independent Auditor's Report

SCHEDULE 3.1

TOWN OF SLAUGHTER, LOUISIANA
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF NET PENSION LIABILITY - MERS PLAN B
YEARS ENDED JUNE 30, 2023

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Employer's Proportion of the Net Pension Liability (Asset)	0.053004%	0.040621%	0.039968%	0.038540%	0.085780%	0.084609%	0.073432%	0.168006%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 189,339	\$ 166,945	\$ 167,203	\$ 159,582	\$ 358,446	\$ 365,799	\$ 202,251	\$ 147,506
Employer's Covered-Employee Payroll	\$ 105,000	\$ 109,453	\$ 119,784	\$ 70,364	\$ 158,201	\$ 161,714	\$ 145,406	\$ 144,849
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	180.32%	152.53%	139.59%	226.79%	226.58%	226.20%	140.47%	101.83%
Plan Fiduciary Net Position as Percentage of the Total Pension Liability	66.18%	62.11%	62.49%	65.60%	66.14%	64.52%	77.82%	69.56%

* The amounts presented for each fiscal year were determined as of 6/30 within the fiscal year.

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

SCHEDULE 3.2

TOWN OF SLAUGHTER, LOUISIANA
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF NET PENSION LIABILITY - MPERS
YEARS ENDED JUNE 30, 2023

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Employer's Proportion of the Net Pension Liability (Asset)	0.022762%	0.013555%	0.001170%	0.000000%	0.000000%	0.000000%	0.005141%	0.027861%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$178,316	\$127,049	\$10,215	\$ -	\$ -	\$ -	\$ 27,404	\$ 284,789
Employer's Covered-Employee Payroll	\$2,000	\$1,971	\$ -	\$ -	\$ -	\$ -	\$ 30,446	\$ 92,575
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	8915.80%	6445.46%	0.00%	0.00%	0.00%	0.00%	90.01%	307.63%
Plan Fiduciary Net Position as Percentage of the Total Pension Liability	70.73%	70.08%	71.89%	71.01%	70.94%	84.09%	84.09%	70.80%

* The amounts presented for each fiscal year were determined as of 6/30 within the fiscal year.

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

See Independent Auditor's Report.

SCHEDULE 4.1

TOWN OF SLAUGHTER, LOUISIANA
Schedule of the Town's Contributions - MERS PLAN B
Last 10 Fiscal Years

Municipal Police Employees' Retirement System

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Contractually required contribution	\$ 21,617	\$ 27,191	\$ 17,415	\$ 41,132	\$ 42,046	\$ 42,895	\$ 24,320	25,138
Contributions in relation to contractually required contributions	21,617	27,191	17,415	41,132	42,046	42,895	24,320	27,389
Contribution deficiency (excess)	-	-	-	-	-	-	-	(2,251)
Employer's Covered Employee Payroll	109,453	119,784	70,364	158,201	161,714	145,406	144,848	162,178
Contributions as a % of Covered Employee Payroll	7.1900%	22.7000%	24.7500%	26.0000%	26.0000%	29.5002%	16.7900%	16.8882%

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

SCHEDULE 4.2

TOWN OF SLAUGHTER, LOUISIANA
Schedule of the Town's Contributions - MPERS
Last 10 Fiscal Years

Municipal Employees' Retirement System

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Contractually required contribution	\$ 779	\$ -	\$ -	\$ -	\$ -	\$ 10,282	\$ 27,541	28,374
Contributions in relation to contractually required contributions	779	-	-	-	-	9,905	27,541	26,298
Contribution deficiency (excess)	-	-	-	-	-	377	-	2,076
Employer's Covered Employee Payroll	1,971	-	-	-	-	30,466.0	92,575	86,063
Contributions as a % of Covered Employee Payroll	39.5000%	0.000%	0.00%	0.00%	0.00%	32.5117%	29.7499%	30.5567%

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

See Independent Auditor's Report.

Other Supplemental Information

SCHEDULE 5

TOWN OF SLAUGHTER, LOUISIANA
BUDGETARY COMPARISON SCHEUDLE
CHANGES IN FUND NET POSITION
WATER UTILITY SYSTEM
YEARS ENDED JUNE 30, 2023

<u>OPERATING REVENUES</u>	<u>Budget</u>	<u>Actual Amounts</u>	
		<u>GAAP Basis</u>	<u>Variance</u>
Sales	\$ 469,260	\$ 477,887	\$ (8,627)
Penalties	16,000	18,736	(2,736)
Installations	1,000	5,605	(4,605)
Intergovernmental	101,222	188,891	(87,669)
Contributions	20,000	20,000	-
Total Operating Revenues	607,482	711,119	(103,637)
<u>OPERATING EXPENSES</u>			
Bad debts	-	1,447	(1,447)
Depreciation	-	98,169	(98,169)
Salaries	55,000	55,443	(443)
Payroll taxes	4,000	3,207	793
Employee benefits	15,500	(74,185)	89,685
Insurance	7,850	5,635	2,215
Supplies	205,111	60,591	144,520
Repairs and maintenance	3,500	3,075	425
Auto expense	5,000	2,550	2,450
Telephone	3,000	241	2,759
Utilities	18,000	21,972	(3,972)
Professional Fees	50,000	43,512	6,488
Other	12,910	14,161	(1,251)
Total Operating Expenses	379,871	235,818	144,053
Operating Income (Loss)	227,611	475,301	(247,690)
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Interest income	200	2,067	(1,867)
Interest expense	(21,600)	(21,641)	41
Total Non-Operating Revenues (Expenses)	(21,400)	(19,574)	(1,826)
<u>INCOME (LOSS) BEFORE TRANSFERS</u>			
Operating transfers, net	(130,000)	(97,367)	(32,633)
Change in Net Position	76,211	358,360	(282,149)
Total Net Position, beginning	457,157	457,157	-
Total Net Position, ending	\$ 533,368	\$ 815,517	\$ (282,149)

See independent auditor's report.

TOWN OF SLAUGHTER, LOUISIANA
BUDGETARY COMPARISON SCHEUDLE
CHANGES IN FUND NET POSITION
GAS UTILITY SYSTEM
YEARS ENDED JUNE 30, 2023

<u>OPERATING REVENUES</u>	<u>Budget</u>	<u>Actual Amounts</u> <u>GAAP Basis</u>	<u>Variance</u>
Sales	\$ 370,000	\$ 359,093	\$ 10,907
Installations	16,000	15,188	812
Intergovernmental	-	1,075	(1,075)
Miscellaneous	2,500	2,249	251
Total Operating Revenues	388,500	377,605	10,895
<u>OPERATING EXPENSES</u>			
Bad debts	-	-	-
Natural Gas	120,000	102,099	17,901
Depreciation	-	4,406	(4,406)
Salaries	53,000	57,106	(4,106)
Payroll taxes	4,000	2,938	1,062
Employee benefits	15,500	(74,185)	89,685
Insurance	9,850	4,923	4,927
Supplies	8,400	9,643	(1,243)
Repairs and maintenance	3,000	938	2,062
Installation expense	6,000	3,336	2,664
Auto expense	4,500	3,061	1,439
Telephone	2,000	-	2,000
Utilities	1,000	767	233
Professional fees	100,000	72,538	27,462
Other	4,875	7,370	(2,495)
Total Operating Expenses	332,125	194,940	137,185
Operating Income (Loss)	56,375	182,665	(126,290)
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Interest income	100	345	(245)
Interest expense	-	-	-
Total Non-Operating Revenues (Expenses)	100	345	(245)
<u>INCOME (LOSS) BEFORE TRANSFERS</u>			
INCOME (LOSS) BEFORE TRANSFERS	56,475	183,010	(126,535)
Operating transfers, net	(50,000)	(50,000)	-
Change in Net Position	6,475	133,010	(126,535)
Total Net Position, beginning	(18,766)	(18,766)	-
Total Net Position, ending	\$ (12,291)	\$ 114,244	\$ (126,535)

See independent auditor's report.

TOWN OF SLAUGHTER, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO GOVERNING MEMBERS
YEAR ENDED JUNE 30, 2023

This schedule of compensation paid to governing members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

Mayor

Janis Landry	\$ 9,900
PO Box 218, Slaughter LA 70777	

Board Members

Allen Hobgood	\$ 2,520
610 West Ave, Slaughter, LA 70777	

Steve Rader	2,520
3645 E. Main St., Slaughter, LA 70777	

Mona Almond	2,520
1246 Holly Dr., Slaughter, LA 70777	

Natasha Paxton	2,520
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Adele Fleming	<u>2,520</u>
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Total Paid	\$ <u>12,600</u>
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See Independent Auditor's Report

**TOWN OF SLAUGHTER, LOUISIANA
 SCHEDULE OF COMPENSATION , BENEFITS AND
 OTHER PAYMENTS TO AGENCY HEAD
 YEAR ENDED JUNE 30, 2023**

Agency Head

Janis Landry
 Mayor

Purpose

Salary
 FICA

Amount

	\$ 9,900
	757

	\$ 10,657
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See Independent Auditor's Report

TOWN OF SLAUGHTER, LA
Justice System Funding Schedule - Collecting/Disbursing Entity
As Required by Act 87 of the 2020 Regular Legislative Session
For the Year Ended June 30, 2023

Cash Basis Presentation	First Six Month Period Ended 12/31/22	Second Six Month Period Ended 06/30/23
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ -	\$ -
Add: Collections		
Criminal Fines - Other	28,618	51,924
Subtotal Collections	28,618	51,924
Less: Disbursements To Governments & Nonprofits:		
<i>La Commission on Law Enforcement-law Enforcement Officer Training</i>	244	507
<i>Treasurer-State of LA-Trial Court Management Informaiton System (CMIS)</i>	129	260
<i>LA Supremet Court-Judicial College</i>	63	130
<i>Traumatic Head and Spinal Court Injuries Services</i>	400	705
<i>Feliciana Juvenile Justice District</i>	628	1,300
Less: Amounts Retained by Collecting Agency		
Amount Self Disbursed Criminial Fines/Other	27,154	49,022
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Civil Fee Refunds	-	-
Subtotal Disbursements/Retainage	28,618	51,924
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	\$ -	\$ -

See Independent Auditor's Report

Minda B. Raybourn

Certified Public Accountant

Limited Liability Company

820 11th Avenue
Franklinton, Louisiana 70438
(985) 839-4413
Fax (985) 839-4402
wrcpa@huntbrothers.com
Member

AICPA

LCPA

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

The Honorable Janis Landry, Mayor
And Members of the Board of Aldermen
PO Box 293
Slaughter, LA

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Slaughter, State of Louisiana, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Slaughter's basic financial statements and have issued our report thereon dated December 21, 2023.

Internal Control over Financial Reporting

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

My 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. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Slaughter's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2023-001.

Town of Slaughter's Response to Findings

Town of Slaughter's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Town of Slaughter's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of my 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.



Minda Raybourn CPA

Franklinton, LA

December 21, 2023

**TOWN OF SLAUGHTER, LOUISIANA
SCHEDULE OF CURRENT YEAR FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2023**

Summary of Auditor's Report

Financial Statements

A. Type of auditor's report issued		Unmodified
B. Internal Control over Financial Reporting		
Internal Control	Significant Deficiencies?	No
	Material Weaknesses?	No
Noncompliance	Material to Financial Statements?	Yes

Federal and Questioned Costs Related to Major Federal Award Programs

Not applicable.

Other Matters

A management letter was not issued.

**TOWN OF SLAUGHTER, LOUISIANA
SCHEDULE OF CURRENT YEAR FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2023**

Finding 2023-001 Noncompliance with Local Government Budget Act

CONDITION: The general fund expenditures and other uses, were over budget 6.77% or \$44,434. The special revenue fund (street and sidewalk fund) revenues and other sources were under budget by 25.66% or \$67,137.

CRITERIA: Per R.S. 39:1311 (Local Government Budget Act), the governing authority must adopt a budget amendment if there is a 5% or greater shortage in revenue and other sources or a 5% or greater overage in expenditures and other uses if there is a 5% or greater variance in the actual fund balance at the beginning of the year. This applies to the entity's general fund and special revenue funds

CAUSE OF CONDITION: While the Town did amend its general fund and special revenue fund budgets, revenues and other sources and expenditures and other uses were over the legal threshold of 5%.

POTENTIAL EFFECT OF CONDITION: Noncompliance with the Local Government Budget Act.

RECOMMENDATION: The Town needs to ensure its amended expenditures and revenues are within the 5% requirement before the year ends.

CLIENT RESPONSE: We agree with the auditor's recommendation.

CONTACT PERSON: Janis Landry, Mayor, 3377 Church Street, Slaughter, LA 70777, (225) 654-4278

**TOWN OF SLAUGHTER, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2022**

Finding 2022-001 Municipal Police Employees' Retirement System

CONDITION: The retirement contributions due to MPERS were submitted late for the months of July 31, 2021 through April 30, 2022. They were all paid on May 31, 2022.

CRITERIA: Retirement contributions for MPERS are due each month following the month of the applicable payroll.

CAUSE OF CONDITION: Contribution payments were not paid timely.

POTENTIAL EFFECT OF CONDITION: The Town did not comply with the terms of MPERS.

RECOMMENDATION: The Town needs to put in place controls to have management review the submitted reports and payments each month.

MANAGEMENT RESPONSE: We will implement the recommendation.

CONTACT PERSON: Janis Landry, Mayor, 3377 Church Street, Slaughter, LA 70777, (225) 654-4278

STATUS: Resolved.

Finding 2022-002 Planning Commission

CONDITION: As of September 19, 2022, three members of the planning commission have been serving over seven years. The current members have been reappointed by the Town. One member has since resigned with a new appointment taken place.

CRITERIA: Per the Town's ordinance, Article IV, Division 1, Section 2-150, members of the planning commission shall serve for 7-year staggered terms of office as provided by law, provided the persons constituting the present planning commission, now functioning, shall constitute the planning commission and they shall serve until their successors are appointed and qualified. Vacancies shall be filled in the manner provided for by law.

CAUSE OF CONDITION: Unknown.

POTENTIAL EFFECT OF CONDITION: Noncompliance with Town ordinance.

RECOMMENDATION: The Town should review the current roster of board members to ensure that their terms do not violate the ordinance.

CLIENT RESPONSE: We will implement the recommendation.

**TOWN OF SLAUGHTER, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2022**

CONTACT PERSON: Janis Landry, Mayor, 3377 Church Street, Slaughter, LA 70777, (225) 654-4278

STATUS: Resolved.

Minda B. Raybourn

Certified Public Accountant

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Member
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Member
LCPA

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Town of Slaughter, LA
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022 through June 30, 2023. The Town of Slaughter, LA's (the "Town") management is responsible for those C/C areas identified in the SAUPs.

The Town has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

No exceptions noted.

- b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

No exceptions noted.

- c) **Disbursements**, including processing, reviewing, and approving.

No exceptions noted.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

No exceptions noted.

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

The entity has policies and procedures for 1 and 2 but not 3.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

No exceptions noted.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

No exceptions noted.

- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

No exceptions noted.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

The entity has policies and procedures for 1 and 2 but not 3 and 4..

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

The entity does not have policies and procedures for debt service..

- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

The entity does not have policies and procedures for IT disaster recovery and business continuity.

- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

The entity does have policies and procedures for 1 but not 2 and 3..

Management's Response: We will implement the policies and procedures noted above before the end of the current fiscal year.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exceptions to this procedure.

- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

The minutes do reference the financial statements.

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

This is not applicable.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

The listing of bank accounts and management's representation were obtained. The main operating accounting and 4 additional accounts were selected.

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

No exception to this procedure.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Management/board members who do not handle cash, post ledger, or issue checks do not review each bank reconciliation. The external accountant prepares the bank reconciliations.

- c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exceptions to this procedure.

Collections (excluding electronic funds transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

A list of deposit sites and management's representation was obtained

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of

employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees responsible for cash collections do not share cash drawers/registers.

No exception to this procedure.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

No exception to this procedure.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

No exception to this procedure.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

No exception to this procedure.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

No exception to this procedure.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- e) Trace the actual deposit per the bank statement to the general ledger.

There were no exceptions to procedures a through e.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Management's representation was obtained. The entity has one location that processes payments.

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

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

No exceptions to this procedure.

- b) At least two employees are involved in processing and approving payments to vendors.

No exceptions to this procedure.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

No exceptions to this procedure.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

No exceptions to this procedure.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

No exceptions to this procedure.

- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

No exceptions to this procedure.

11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

No exceptions to this procedure.

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

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

Management provided a listing and management's representation were obtained.

13. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

No exceptions to this procedure.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

No exceptions to this procedure.

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

participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

No exceptions to this procedure.

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

15. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

The listing of travel expenses and management’s representation were obtained.

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

No exceptions noted.

- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

No exceptions noted.

- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

No exceptions noted.

- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

There was one disbursement where the reimbursement was not approved by someone other than the person receiving reimbursement.

Management Response: We will ensure that all travel reimbursements are approved by someone other than the person receiving the reimbursement.

Contracts

16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

Management's listing and management's representations were obtained.

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

No exceptions to this procedure.

- b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

No exceptions noted.

- c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

No exceptions noted.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

There were no exceptions to this procedure.

Payroll and Personnel

17. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

A listing of employees and officials and management's representation were obtained.

18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning

leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

No exceptions noted.

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

No exceptions noted.

- c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

No exceptions noted.

- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

No exceptions noted.

- 19. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

No exceptions noted.

- 20. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions noted.

Ethics

- 21. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

- a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

No exceptions noted.

- b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

The existing ethics policy was not changed.

Debt Service

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

A listing of bonds and management representation were obtained. No new debt was issued.

23. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

No exception to this procedure.

Fraud Notice

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

Management asserted there were not misappropriations. Management's representations were obtained.

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

No exception to this procedure.

Information Technology Disaster Recovery/Business Continuity

26. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

I performed the procedure and discussed the results with management.

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

I performed the procedure and discussed the results with management.

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

I performed the procedure and discussed the results with management.

27. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

I performed the procedure and discussed the results with management.

Sexual Harassment

28. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

No exception to this procedure.

29. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

No exception to this procedure.

30. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;

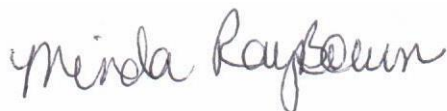
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

No exceptions to this procedure.

We were engaged by the Town to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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



Minda B. Raybourn CPA
Franklinton, LA
December 8, 2023