

**CITY OF
TALLULAH, LOUISIANA**

Annual Financial Statements

As of and for the Year Ended June 30, 2023

CITY OF TALLULAH, LOUISIANA

Table of Contents

	<u>Page</u>
FINANCIAL SECTION	
INDEPENDENT AUDITOR'S REPORT	1 - 3
REQUIRED SUPPLEMENTARY INFORMATION	
Management's Discussion and Analysis (MD&A)	6 - 14
BASIC FINANCIAL STATEMENTS	
	<u>Statement</u>
Government-wide Financial Statements (GWFS)	
Statement of Net Position	A 17
Statement of Activities	B 18 - 19
Fund Financial Statements (FFS)	
Governmental Funds:	
Balance Sheet	C 22
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	D 23
Statement of Revenues, Expenditures, and Changes in Fund Balances	E 24
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	F 25
Proprietary Fund Type - Enterprise Funds:	
Statement of Net Position	G 26
Statement of Revenues, Expenses, and Changes in Fund Net Position	H 27
Statement of Cash Flows	I 28 - 29
Notes to the Financial Statements	
Index	31
Notes	32 - 53
	<u>Exhibit</u>
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of the Employer's Proportionate Share of the Net Pension Liability	1-1 56
Schedule of Employer Contributions to Pension Plan	1-2 57
Notes to Required Supplementary Information for Pensions	58
Budgetary Comparison Schedules	59
Budgetary Comparison Schedule - General Fund	2-1 60
Budgetary Comparison Schedule - Section 8 Fund	2-2 61
Notes to the Budgetary Comparison Schedules	62

(Continued)

Independent Auditor's Report

The Honorable Charles Finlayson, Mayor
and Members of the City Council
City of Tallulah, Louisiana

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate discretely presented component unit and the aggregate remaining fund information of the City of Tallulah, Louisiana (the City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City's primary government as listed in the table of contents.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate discretely presented component unit, and the aggregate remaining fund information of the primary government of the City of Tallulah, Louisiana, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 City'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.

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RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each is separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying financial information listed in the table of contents as other supplementary information (Exhibits 3 through 9) is presented for purposes of additional analysis and is not a required part of the City's basic financial statements.

The combining nonmajor governmental fund financial statements (Exhibits 3 and 4), comparative information required by bond covenant with the U.S. Department of Agriculture (Exhibit 5), the schedule of compensation, benefits, and other payments to agency head (Exhibit 6), the financial data schedules as required by the Department of Housing and Urban Development (Exhibit 7), the justice system funding schedule - collecting/dispersing entity, and the justice system funding schedule - receiving entity as required by Act 87 (Exhibits 8 and 9) 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 our 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*, we have also issued our report dated December 19, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



A Professional Accounting Corporation

Baton Rouge, LA
December 19, 2023

City of Tallulah

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REQUIRED SUPPLEMENTARY INFORMATION:

**MANAGEMENT'S DISCUSSION
AND ANALYSIS (MD&A)**

City of Tallulah
Management's Discussion and Analysis (MD&A)
June 30, 2023

Our discussion and analysis of the City of Tallulah's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2023.

This report presents the financial information of the City's activity of the primary government and its discretely presented component unit.

FINANCIAL HIGHLIGHTS Our financial statements provide these insights into the results of this year's operations:

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$8.4 million (net position) for the government as a whole. Of this amount, \$1.8 million represents unrestricted net position, which may be used to meet the City's ongoing obligations to its citizens and creditors.
- The City's total net position increased \$822 thousand. The main reason for this increase is a \$210 thousand increase in charges for services, a \$141 thousand increase in sales tax collections, and a \$127 thousand decrease in expenses. In the current fiscal year, the City's governmental activities received \$96 thousand more fines and forfeitures and the business-type activities received \$108 thousand more in water and sewer customer fees in comparison with the prior year. Expenses for the governmental activities increased \$114 thousand mainly due the City settling a legal claim against the City for \$115 thousand while the business-type activities' expenses decreased \$241 thousand mainly because there were no bond issuance costs in the fiscal year 2023 and due to a reduction in water plant depreciation expenses.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$1.9 million, an increase of \$344 thousand in comparison with the prior year. Approximately 91% of this amount (\$1.7 million) is available for spending at the government's discretion (unassigned fund balance).
- At the end of the fiscal year, the unassigned fund balance of the general fund was \$1.7 million, or approximately 53% of total general fund expenditures.
- The City's total long-term debt decreased \$694 thousand. In the current fiscal year, the City's governmental activities settled an outstanding legal claim for \$115 thousand. The settlement required the City to pay \$25 thousand upon settlement and \$2,500 per month for 36 months beginning March 1, 2023. At June 30, 2023, the outstanding long-term portion of judgements payable was \$75 thousand. During the current fiscal year, the governmental activities paid \$68 thousand, and the business-type activities paid \$706 thousand in bond and loan principal payments. The liability accrued for compensated absences increased \$5 thousand.
- The Tallulah Housing Authority is a discretely presented component unit of the City. For the year ended June 30, 2023, the Housing Authority reported a negative change in net position of \$90,269.

USING THIS ANNUAL REPORT

The City's annual report consists of a series of financial statements that show information for the City as a whole, and its funds. The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. For our governmental activities, the fund financial statements tell how we financed our services in the short term as well as what remains for future spending. Fund statements also may give you some insights into the City's overall financial health. Fund financial statements also report the City's operations in more detail than the government-wide financial statements by providing information about the City's most significant funds - General, Section 8, and American Rescue.

City of Tallulah
Management's Discussion and Analysis (MD&A)
June 30, 2023

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

Governmental Activities - Most of the City's basic services are reported here, including the police, fire, street and general administration. Property taxes, franchise fees, licenses and fees, fines and forfeitures, and state and federal grants finance most of these activities.

Business-type Activities - The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and sewer systems are reported here.

Reporting the City's Most Significant Funds

Fund Financial Statements

The City's fund financial statements provide detailed information about the most significant funds but not the City as a whole. Some funds are required to be established by State law. However, the City establishes other funds to help it control and manage money for particular purposes (like the capital project fund) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The City's two kinds of funds - governmental and proprietary - use different accounting approaches:

Governmental funds - Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in the reconciliations (Statements D and F).

Proprietary funds - When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's utility enterprise funds (a component of proprietary funds) are the same as business-type activities we report in the government-wide financial statements but provide more detail and additional information, such as cash flows, for proprietary funds.

THE CITY AS A WHOLE

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$8.4 million, at the close of the most recent fiscal year. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

City of Tallulah
Management's Discussion and Analysis (MD&A)
June 30, 2023

Table 2
Changes in Net Position
(In Thousands)
For the Years Ended June 30,

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues						
Charges for services	\$ 423	\$ 321	\$ 2,872	\$ 2,764	\$ 3,295	\$ 3,085
Operating grants and contributions	370	357	26	45	396	402
Capital grants and contributions	-	38	448	466	448	504
General revenues						
Property taxes	626	606	-	-	626	606
Sales tax	1,880	1,739	-	-	1,880	1,739
Other taxes, penalties and interest	331	333	-	-	331	333
License and permits	75	69	-	-	75	69
Grants and contributions not restricted to a program	185	205	-	-	185	205
Earnings on investments	32	1	26	-	58	1
Miscellaneous	62	45	20	19	82	64
Total Revenues	3,984	3,714	3,392	3,294	7,376	7,008
Functions/Program Expenses:						
Governmental activities						
General and administrative	900	748	-	-	900	748
Police department	826	827	-	-	826	827
Fire department	526	511	-	-	526	511
Street department	935	992	-	-	935	992
Health and welfare	210	196	-	-	210	196
Culture and recreation	116	112	-	-	116	112
Legislative	67	66	-	-	67	66
Transportation	40	55	-	-	40	55
Interest expense	17	16	-	-	17	16
Business-type activities						
Water enterprise	-	-	1,879	2,219	1,879	2,219
Sewer enterprise	-	-	1,038	939	1,038	939
Total Functions/Program Expenses	3,637	3,523	2,917	3,158	6,554	6,681
Increase (decrease) in net position						
before transfers	347	191	475	136	822	327
Transfers	(104)	(175)	104	175	-	-
Increase (decrease) in net position	243	16	579	311	822	327
Net position - beginning	2,605	2,589	4,993	4,682	7,598	7,271
Net position - ending	\$ 2,848	\$ 2,605	\$ 5,572	\$ 4,993	\$ 8,420	\$ 7,598

City of Tallulah
Management's Discussion and Analysis (MD&A)
June 30, 2023

Business-type Activities

The net position of the business-type activities increased \$579 thousand from the prior fiscal year for an ending balance of \$5.6 million.

Revenue of the City's business-type activities (see Table 2) for June 30, 2023 was \$3.4 million. This is an increase of \$98 thousand from 2022 to 2023. Charges for services increased \$108 thousand due to an increase in water rates, while grants and contributions decreased \$37 thousand. In the current fiscal year, the City received \$448 thousand from a state grant for capital improvements to construct a new water well.

Expenses for the year ended June 30, 2023 were \$2.9 million for the City's business-type activities, a decrease of \$241 thousand from the amount reported in 2022. The primary reasons for this change is due to a decrease in depreciation (\$218 thousand) and professional services (\$200 thousand) expenses offset by an increase in supplies (\$55 thousand), maintenance (\$60 thousand), and utility (\$58 thousand) expenses. In the current fiscal year, the City experienced an increase in costs for supplies, repairs and maintenance and utilities. In the prior fiscal year, the City paid \$186 thousand in bond issuance cost due to the issuance of Water Revenue Refunding Series 2021.

THE CITY'S FUNDS

Governmental Funds

As the City completed the year, its governmental funds reported a combined fund balance of \$1.9 million, which is an increase of \$344 thousand in fund balance from last year.

The fund balance of the General fund increased \$402 thousand from the \$1.3 million reported in the prior fiscal year to \$1.7 million. Revenues increased \$221 thousand mainly due to the increase in sales tax collections (\$141 thousand) and in fines and forfeitures (\$96 thousand). The General fund's expenditures decreased \$121 thousand due to mainly due decreases in capital outlay (\$181 thousand) offset by an increase in general and administrative expenditures (\$78 thousand). In the current fiscal year, the General fund purchased a used truck for the street department and equipment for the fire department. During the prior fiscal year, the City purchased a new truck for the police chief, refinanced the existing fire truck and purchased a used fire truck with the loan proceeds, and purchased a used dump truck for the street department.

Section 8's fund balance decreased \$11 thousand for an ending fund balance of \$30 thousand. HUD grant funding increased \$3 thousand from the amount received in the prior fiscal year. Expenditures increased from \$218 thousand to \$232 thousand mainly due to the increase in housing assistance payments.

The American Rescue fund accounts for grant funding from the Coronavirus State Local Fiscal Recovery Fund authorized by the American Rescue Plan Act of 2021. As of June 30, 2023, the City has deferred \$2.4 million in grant funding. The City plans on spending the grant on maintenance and operations including water and sewer improvement projects.

The Nonmajor Governmental funds had a decrease of \$47 thousand primarily due to the Street fund transferring funds to the Capital Projects fund to cover the administrative and engineering costs for the LCDBG street project.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

City of Tallulah
Management's Discussion and Analysis (MD&A)
June 30, 2023

Additional information regarding capital assets can be found in Note 7 of the notes to the financial statements.

DEBT ADMINISTRATION At June 30, 2023, the City had \$9.1 million outstanding in bond and loan debt versus \$9.9 million at June 30, 2022 which is a decrease of 8%. See Note 11 of the notes to the financial statements for more information. The City's outstanding debt at June 30, 2023 consisted of the following (in thousands):

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Water Revenue Bonds	\$ -	\$ -	\$ 6,205	\$ 6,825	\$ 6,205	\$ 6,825
Loans Payable	330	397	2,556	2,642	2,886	3,039
	<u>\$ 330</u>	<u>\$ 397</u>	<u>\$ 8,761</u>	<u>\$ 9,467</u>	<u>\$ 9,091</u>	<u>\$ 9,864</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS Our elected and appointed officials and citizens consider many factors when setting the City's budget and tax rates. One of the most important factors affecting the budget is our ad valorem and sales tax collections. Approximately 66% of total revenues in the General fund are from ad valorem and sales tax collections. The initial budget for the 2023-2024 fiscal year includes increases in both revenues and expenses. We have projected for the 2023-2024 fiscal year with no major uncertainties anticipated for the future.

On January 2, 2019, the City was placed under an Administrative Order (AO) by the Louisiana Department of Health (LDDH). The AO states that the City was non-compliant with several state primary drinking water regulations. The AO lists remedial actions that the City must undertake by specific deadlines to comply with all rules, regulations, and standards. On October 22, 2020, the City Council approved a \$7.8 million water plant rehabilitation project that will address all issues listed in the administrative order, however the City anticipates the project costs will increase significantly due to the increases in construction costs since the approval date. The City anticipates funding the water plant rehabilitation with a \$5 million IJA Water Sector Program federal grant, a USDA loan (\$4.0 million), a USDA grant (\$3.8 million) and the American Rescue Act Plan funds. The USDA loan will be repaid from mandatory water rate increases. The project specifications and plans have been approved by LDHH and USDA. The project's bids will be opened on December 14, 2023.

On October 22, 2023, the City entered into a \$1.2 million construction contract for rehabilitating portions of Tank, University, and Florida streets. Funding for the street improvement project will be funded by a \$799 thousand LCDBG federal grant and by the General fund's and Street fund's local revenues.

The City has been awarded \$2.4 million from the American Rescue Act Plan. The City received \$1.2 million of the grant in fiscal year 2021 and \$1.2 million in September 2022. The City plans on using the grant funding for maintenance and operations including the Sewer aerator project and the Water rehabilitation project.

ADDITIONAL INFORMATION For additional information contact the City at 204 North Cedar Street, Tallulah, LA 71282 or by telephone at (318) 574-0964.

City of Tallulah

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CITY OF TALLULAH

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
<i>Governmental activities:</i>				
General and administrative	\$ 900,009	\$ 114,520	\$ 83,092	\$ -
Police department	825,783	292,856	24,280	-
Fire department	525,261	9,500	35,200	-
Street department	935,126	-	6,225	-
Health and welfare	210,529	-	220,941	-
Culture and recreation	116,561	5,725	-	-
Legislative	66,856	-	-	-
Transportation	39,564	-	-	-
Interest expense	17,305	-	-	-
Total Governmental Activities	3,636,994	422,601	369,738	-
<i>Business-type activities:</i>				
Water activities	1,879,372	2,083,545	-	447,836
Sewer activities	1,037,603	788,064	25,947	-
Total Business-Type Activities	2,916,975	2,871,609	25,947	447,836
Total Primary Government	\$ 6,553,969	\$ 3,294,210	\$ 395,685	\$ 447,836
Component Unit (For the year ended December 31, 2022)	\$ 386,304	\$ 47,770	\$ 248,266	\$ -

General revenues:

Taxes:

Property taxes levied for general purposes

Property taxes levied for fire protection

Sales and use tax revenue

Other taxes, penalties and interest

Licenses and permits

Grants and contributions not restricted to a specific program

Earnings on investments

Miscellaneous

Transfers

Total general revenues and transfers

Changes in net position

Net position - beginning

Net position - ending

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

Statement B

PRIMARY GOVERNMENT			
NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION			
Governmental Activities	Business-Type Activities	TOTAL	Component Unit
\$ (702,397)	\$ -	\$ (702,397)	\$ -
(508,647)	-	(508,647)	-
(480,561)	-	(480,561)	-
(928,901)	-	(928,901)	-
10,412	-	10,412	-
(110,836)	-	(110,836)	-
(66,856)	-	(66,856)	-
(39,564)	-	(39,564)	-
(17,305)	-	(17,305)	-
<u>(2,844,655)</u>	<u>-</u>	<u>(2,844,655)</u>	<u>-</u>
-	652,009	652,009	-
-	(223,592)	(223,592)	-
-	428,417	428,417	-
<u>(2,844,655)</u>	<u>428,417</u>	<u>(2,416,238)</u>	<u>-</u>
-	-	-	(90,268)
522,728	-	522,728	-
103,268	-	103,268	-
1,879,714	-	1,879,714	-
330,753	-	330,753	-
75,417	-	75,417	-
185,256	-	185,256	-
32,611	26,256	58,867	-
62,788	19,886	82,674	-
(104,430)	104,430	-	-
<u>3,088,105</u>	<u>150,572</u>	<u>3,238,677</u>	<u>-</u>
243,450	578,989	822,439	(90,268)
<u>2,604,610</u>	<u>4,993,166</u>	<u>7,597,776</u>	<u>(567,539)</u>
<u>\$ 2,848,060</u>	<u>\$ 5,572,155</u>	<u>\$ 8,420,215</u>	<u>\$ (657,807)</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

City of Tallulah

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CITY OF TALLULAH
 GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2023

Statement C

	GENERAL	SECTION 8	AMERICAN RESCUE	NONMAJOR GOVERNMENTAL	TOTAL
ASSETS:					
Cash and cash equivalents	\$ 1,522,240	\$ 26,581	\$ 2,419,094	\$ 153,663	\$ 4,121,578
Receivables	282,329	3,547	-	-	285,876
Interfund receivables	174,133	-	-	6,541	180,674
TOTAL ASSETS	1,978,702	30,128	2,419,094	160,204	4,588,128
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts and other payables	188,735	218	-	9,355	198,308
Unearned revenue	-	-	2,390,860	-	2,390,860
Interfund payables	107,759	-	27,744	12,219	147,722
TOTAL LIABILITIES	296,494	218	2,418,604	21,574	2,736,890
FUND BALANCES:					
Restricted	-	29,910	490	138,630	169,030
Unassigned	1,682,208	-	-	-	1,682,208
TOTAL FUND BALANCES	1,682,208	29,910	490	138,630	1,851,238
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,978,702	\$ 30,128	\$ 2,419,094	\$ 160,204	\$ 4,588,128

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

CITY OF TALLULAH

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2023

Statement E

	GENERAL	SECTION 8	AMERICAN RESCUE	NONMAJOR GOVERNMENTAL	TOTAL
REVENUES					
Taxes:					
Ad valorem	\$ 494,791	\$ -	\$ -	\$ 131,205	\$ 625,996
Sales and use	1,879,714	-	-	-	1,879,714
Other taxes, penalties, and interest	330,753	-	-	-	330,753
Licenses and permits	75,417	-	-	-	75,417
Intergovernmental revenues	281,228	201,514	78,592	-	561,334
Rental income	5,725	-	-	-	5,725
Use of money and property	4,250	536	25,838	1,987	32,611
Fines and forfeitures	354,683	-	-	-	354,683
Miscellaneous revenues	144,469	19,427	-	-	163,896
TOTAL REVENUES	3,571,030	221,477	104,430	133,192	4,030,129
EXPENDITURES					
Current:					
General and administrative	799,129	-	-	451	799,580
Police department	831,352	-	-	-	831,352
Fire department	478,352	-	-	-	478,352
Street department	747,481	-	-	88,889	836,370
Health and welfare	-	232,307	-	-	232,307
Culture and recreation	106,885	-	-	-	106,885
Legislative	66,856	-	-	-	66,856
Transportation	39,564	-	-	-	39,564
Capital outlay	30,433	-	-	106,441	136,874
Debt service:					
Principal retirement	67,597	-	-	-	67,597
Interest and bank charges	17,305	-	-	-	17,305
TOTAL EXPENDITURES	3,184,954	232,307	-	195,781	3,613,042
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	386,076	(10,830)	104,430	(62,589)	417,087
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	97,919	97,919
Transfers out	(15,767)	-	(104,430)	(82,152)	(202,349)
Insurance recoveries	31,443	-	-	-	31,443
TOTAL OTHER FINANCING SOURCES (USES)	15,676	-	(104,430)	15,767	(72,987)
Net Change in Fund Balances	401,752	(10,830)	-	(46,822)	344,100
FUND BALANCES - BEGINNING	1,280,456	40,740	490	185,452	1,507,138
FUND BALANCES - ENDING	\$ 1,682,208	\$ 29,910	\$ 490	\$ 138,630	\$ 1,851,238

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

CITY OF TALLULAH

PROPRIETARY FUND TYPE - ENTERPRISE FUNDS

Statement of Net Position

June 30, 2023

Statement G

	WATER	SEWER	TOTAL
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	\$ -	\$ 196,131	\$ 196,131
Receivables, net	319,280	127,643	446,923
Interfund receivables	-	143,313	143,313
Restricted Assets:			
Cash and cash equivalents	1,226,911	288,288	1,515,199
TOTAL CURRENT ASSETS	1,546,191	755,375	2,301,566
NONCURRENT ASSETS:			
Capital Assets:			
Land and construction in progress	556,361	703,879	1,260,240
Depreciable assets, net of depreciation	870,747	10,429,135	11,299,882
TOTAL NONCURRENT ASSETS	1,427,108	11,133,014	12,560,122
TOTAL ASSETS	2,973,299	11,888,389	14,861,688
LIABILITIES			
CURRENT LIABILITIES :			
Accounts and other payables	129,878	11,257	141,135
Interfund payables	176,265	-	176,265
Interest payable	38,264	-	38,264
Payable from restricted assets - customer deposits	161,156	-	161,156
Compensated absences	9,460	2,361	11,821
Revenue bonds payable - current	610,000	-	610,000
Loans payable - current	-	90,308	90,308
TOTAL CURRENT LIABILITIES	1,125,023	103,926	1,228,949
NONCURRENT LIABILITIES:			
Revenue bonds payable, net	5,595,000	-	5,595,000
Loans payable	-	2,465,584	2,465,584
TOTAL NONCURRENT LIABILITIES	5,595,000	2,465,584	8,060,584
TOTAL LIABILITIES	6,720,023	2,569,510	9,289,533
NET POSITION			
Net investment in capital assets	(4,818,982)	8,570,442	3,751,460
Restricted for debt service	1,057,460	288,288	1,345,748
Unrestricted	14,798	460,149	474,947
TOTAL NET POSITION	\$ (3,746,724)	\$ 9,318,879	\$ 5,572,155

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

CITY OF TALLULAH

PROPRIETARY FUND TYPE - ENTERPRISE FUNDS
 Statement of Cash Flows
 For the Year Ended June 30, 2023

	Statement I		
	WATER	SEWER	TOTAL
CASH FLOW (USES) FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 2,046,513	\$ 688,899	\$ 2,735,412
Payments to employees	(396,017)	(112,502)	(508,519)
Payments to others	(923,559)	(413,145)	(1,336,704)
Net cash provided by (used for) operating activities	<u>726,937</u>	<u>163,252</u>	<u>890,189</u>
CASH FLOW (USES) FROM INVESTING ACTIVITIES			
Earnings on investments	<u>23,063</u>	<u>3,193</u>	<u>26,256</u>
Net cash provided by (used for) investing activities	<u>23,063</u>	<u>3,193</u>	<u>26,256</u>
CASH FLOW (USES) FROM NONCAPITAL FINANCING ACTIVITIES			
Grants and contributions	-	25,947	25,947
Other receipts	<u>6,106</u>	<u>13,780</u>	<u>19,886</u>
Net cash provided by (used for) noncapital financing activities	<u>6,106</u>	<u>39,727</u>	<u>45,833</u>
CASH FLOW (USES) FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital grant	408,426	-	408,426
Acquisition of capital assets	(419,095)	(157,538)	(576,633)
Principal payment bonds & loans payable	(620,000)	(86,427)	(706,427)
Interest & penalties paid on debt	<u>(120,528)</u>	<u>(113,896)</u>	<u>(234,424)</u>
Net cash provided by (used for) capital and related financing activities	<u>(751,197)</u>	<u>(357,861)</u>	<u>(1,109,058)</u>
Net increase (decrease) in cash and cash equivalents	4,909	(151,689)	(146,780)
CASH AND CASH EQUIVALENTS - BEGINNING	<u>1,222,002</u>	<u>636,108</u>	<u>1,858,110</u>
CASH AND CASH EQUIVALENTS - ENDING	<u><u>1,226,911</u></u>	<u><u>484,419</u></u>	<u><u>1,711,330</u></u>
RECONCILIATION TO BALANCE SHEET			
Cash	-	196,131	196,131
Restricted assets - cash	<u>1,226,911</u>	<u>288,288</u>	<u>1,515,199</u>
	<u>\$ 1,226,911</u>	<u>\$ 484,419</u>	<u>\$ 1,711,330</u>

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City of Tallulah

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City of Tallulah
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying financial statements of the City of Tallulah have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY The City of Tallulah was founded in 1856 and is incorporated under the provisions of the "Lawrason Act" (Louisiana Revised Statutes (R.S.) 33:321-481 of the constitution of the state of Louisiana.) The City is located in the parish of Madison and has a population of approximately sixty-five hundred. The City is governed by the mayor and five-member Council. The mayor and Council members serve four-year terms.

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

Governmental Accounting Standards Board (GASB) established criteria for determining which component units should be considered part of the City of Tallulah for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

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

Because the City appoints the governing body of the Tallulah Housing Authority and can impose its will on the Housing Authority, the Housing Authority was determined to be a component unit of the City of Tallulah, the financial reporting entity. The accompanying financial statements present aggregate information on the funds maintained by the Housing Authority.

B. FUND ACCOUNTING The City uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, deferred outflows/inflows of resources, fund equity, revenues, and expenditures. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

City of Tallulah
Notes to the Financial Statements
For the Year Ended June 30, 2023

Program revenues Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 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.

Allocation of indirect expenses The City reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Fund Financial Statements (FFS)

Governmental Funds The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due. Compensated absences and claims and judgments are reported in a governmental fund only if the claims are due and payable.

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current position. The governmental funds use the following practices in recording revenues and expenditures:

Revenues Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar-year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1994 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December, January, and February of the current fiscal year.

Franchise taxes and intergovernmental revenues are recorded when the City is entitled to the funds.

Interest income on time deposits is recorded when the interest has been earned and the amount is determinable.

Substantially all other revenues are recorded when they are received by the City.

Based on the above criteria, ad valorem taxes, franchise taxes and intergovernmental revenues have been treated as susceptible to accrual.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Other Financing Source (Use) Transfers between funds that are not expected to be repaid are accounted for as other financing sources and are recognized when the underlying event occurs.

City of Tallulah
Notes to the Financial Statements
For the Year Ended June 30, 2023

H. CAPITAL ASSETS Capital assets are recorded at either historical cost or estimated historical cost and depreciated over their estimated useful lives (excluding salvage value). Donated capital assets are recorded at their acquisition value at the date of donation. The City's practice is to capitalize all capital assets with a cost of \$1,000 or more. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used for governmental fund-type based on the following estimated useful lives:

Land	N/A
Infrastructure	20-40 years
Building and Improvements	15-20 years
Furniture and equipment	5-10 years

The capital assets used in the proprietary fund-type operations are included on the statement of net position of the fund. Depreciation of all exhaustible capital assets used by the proprietary fund type operations are charged as an expense against operations. Depreciation is computed using the straight-line method over estimated lives of 20-60 years for the plant, distribution system, and collection system, 3 to 10 years for furniture and equipment.

I. LONG-TERM DEBT Long-term obligations, such as bonded debt and bank loans, are recognized as liabilities of a governmental fund only when due.

J. COMPENSATED ABSENCES Permanent, full-time employees receive from five to ten days of vacation leave each year depending on length of service. Employees may accumulate vacation leave. Sick leave is earned at the rate of ten days per year; however, no employee may accumulate more than ten days of sick leave. Employees who resign or retire are compensated for annual leave accumulated to the date of separation, not to exceed ten days, provided in the case of resignation the employee has completed at least 12 months of continuous service and has given two weeks' notice of resignation.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the governmental funds when leave is actually taken or when employees are paid for accrued leave upon resignation or retirement.

The City recognition and measurement criterion for compensated absences follows:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

The employees' right to receive compensation is attributable to services already rendered.

It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

K. PENSIONS For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the fiduciary net position of the Municipal Police Employees Retirement System (MPERS) and additions to/deductions for MPERS's fiduciary net position has been determined on the same basis as reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

City of Tallulah
Notes to the Financial Statements
For the Year Ended June 30, 2023

Assigned: Fund balance that is constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the Council. The City’s policy does not address assignment of fund balance.

Unassigned: Fund balance that is the residual classification for the general fund. A negative unassigned fund balance may be reported if expenditures incurred for a specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

Restricted amounts are considered to have been spent first when an expenditure has been incurred for purposes for which both restricted and unrestricted fund balance is available. The City reduces committed amounts, followed by assigned amounts and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Q. INTERFUND TRANSACTIONS Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transfers are reported as transfers.

R. USE OF ESTIMATES The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred outflow/inflow of resources and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

S. ELIMINATION AND RECLASSIFICATIONS In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Excess of Expenditures over Appropriations in Individual Funds The following individual fund had actual expenditures over budgeted expenditures for the year-ended June 30, 2023.

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General	\$ 3,083,255	\$ 3,200,721	\$ (117,466)
Section 8	184,000	232,307	(48,307)

B. Deficit Fund Balances The following fund had a deficit fund balance at June 30, 2023:

<u>Fund</u>	<u>Deficit Amount</u>
Water	\$ 3,746,724

At December 31, 2022, the Martin Luther King Apartments had a deficit net position of \$670,694.

City of Tallulah
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 4 - LEVIED TAXES The City levies property taxes on real and business property located within the City's boundaries. Property taxes are levied by the City on property values assessed by the Madison Parish Tax Assessor and approved by the state of Louisiana Tax Commission. A revaluation of all property is required to be completed no less than every four years. The last revaluation was completed in 2020. Total assessed value in calendar year 2022 was \$15,655,963. The Madison Parish Tax Assessor prepares tax statements for the City. Ad valorem taxes were levied in October 2022 with a due date and collection date of December 31, 2022 and a lien date of January 1, 2023.

The following is a summary of authorized and levied property taxes:

	<u>Adjusted Maximum</u>		
	<u>Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
General Operations	7.31	7.31	Statutory
Police, Fire, Streets & Bridges	6.79	6.79	2022
General Purposes	8.31	8.31	2030
Streets, Roads, Drainage	7.83	7.83	2030

NOTE 5 - RECEIVABLES The following is a summary of receivables at June 30, 2023:

<u>Class of Receivables</u>	<u>General</u>	<u>Section 8</u>	<u>Total</u>
<u>Governmental Activities:</u>			
Governmental Funds:			
Taxes:			
Sales & use	\$ 151,961	\$ -	\$ 151,961
Other taxes	2,981	-	2,981
Intergovernmental	31,944	-	31,944
Other	95,443	3,547	98,990
Total Governmental Funds	<u>\$ 282,329</u>	<u>\$ 3,547</u>	<u>\$ 285,876</u>
<u>Class of Receivables</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<u>Business-type Activities:</u>			
Proprietary Funds:			
Intergovernmental	\$ 41,090	\$ -	\$ 41,090
Water user fees	286,292	-	286,292
Sewer user fees	-	131,950	131,950
Gross receivables	327,382	131,950	459,332
Less allowance for doubtful accounts	(8,102)	(4,307)	(12,409)
Total Proprietary net receivables	<u>\$ 319,280</u>	<u>\$ 127,643</u>	<u>\$ 446,923</u>

City of Tallulah
Notes to the Financial Statements
For the Year Ended June 30, 2023

Depreciation expense was charged to governmental activities as follows:

General and administrative	\$ 25,014
Police department	37,397
Fire department	46,570
Street department	98,413
Health and welfare	2,222
Culture and recreation	9,486
Total	<u>\$ 219,102</u>

	Balance Beginning	Additions	Deletions	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 678,330	\$ -	\$ -	\$ 678,330
Construction in progress	88,370	493,540	-	581,910
Total capital assets, not being depreciated	<u>766,700</u>	<u>493,540</u>	<u>-</u>	<u>1,260,240</u>
Depreciable assets:				
Building and improvements	18,139	-	-	18,139
Equipment	1,005,585	6,000	4,309	1,007,276
Water plant and systems	11,112,957	-	-	11,112,957
Sewer plant and systems	7,866,378	-	-	7,866,378
Water and sewer transmission lines	10,962,421	38,445	-	11,000,866
Total capital assets, being depreciated	<u>30,965,480</u>	<u>44,445</u>	<u>4,309</u>	<u>31,005,616</u>
Less accumulated depreciation	<u>(19,064,977)</u>	<u>(645,066)</u>	<u>(4,309)</u>	<u>(19,705,734)</u>
Depreciable capital assets, net	<u>11,900,503</u>	<u>(600,621)</u>	<u>-</u>	<u>11,299,882</u>
Total capital assets, net	<u>\$ 12,667,203</u>	<u>\$ (107,081)</u>	<u>\$ -</u>	<u>\$ 12,560,122</u>

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

Water	\$ 289,026
Sewer	356,040
Total	<u>\$ 645,066</u>

City of Tallulah
Notes to the Financial Statements
For the Year Ended June 30, 2023

A member is eligible for regular retirement after he has been a member of MPERS 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 MPERS for 20 years of creditable service at any age with an actuarially reduced benefit. Benefit rates are three and one-third percent of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary. Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Commencing January 1, 2013, a member's eligibility for regular retirement, early retirement, disability, and survivor benefits are based on hazardous duty and nonhazardous sub duty plans.

Cost of Living Adjustments

MPERS's Board of Trustees are authorized by State statutes 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.

Deferred Retirement Option Plan

MPERS members are 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 retirement plan 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. Upon leaving DROP, members must choose among available alternatives for the distribution of benefits that have accumulated in their DROP accounts. If employment is not terminated, active contributing membership in the retirement plan shall resume and upon later termination, the member shall receive additional retirement benefit based on the additional service.

Initial Benefit Option Plan

In 1999, the State Legislature authorized MPERS 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 benefit for life.

Employer Contributions

The contribution requirements of plan members and the City of Tallulah are established and may be amended by state statute. According to state statute, contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. Contributions for all members are actuarially determined as required by state law but cannot be less than 9% of the employees' earnable compensation excluding overtime but including state supplemental pay.

City of Tallulah
Notes to the Financial Statements
For the Year Ended June 30, 2023

Deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the MPERS NPL 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 ended June 30,</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
MPERS	\$ (9,776)	\$ 7,783	\$ 10,235	\$ 27,023

Actuarial Assumptions. The NPL was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net pension. The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurements:

Valuation date	June 30, 2022
Actuarial cost method	Entry age normal cost
Expected remaining service lives	4 years
Investment rate of return	6.75%, net of investment expense
Inflation rate	2.50% per annum
Salary increases, including inflation and merit	1 to 2 years of service - 12.30% Above 2 years of service - 4.70%
Mortality: Annuitants and beneficiaries	Pub-2010 Public Retirement Plans 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
Mortality: Disabled lives	Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale
Mortality: Employees	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale
Cost of living adjustments	Not substantively automatic

Mortality assumptions were set based upon an experience study for the period July 1, 2014 through June 30, 2019, and review of similar law enforcement mortality. 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.

City of Tallulah
Notes to the Financial Statements
For the Year Ended June 30, 2023

457(b) DEFERRED COMPENSATION RETIREMENT PLAN

The City provides a 457(b) deferred compensation retirement plan administered by Nationwide Retirement Solutions. A 457(b) plan is a type of non-qualified, tax advantage deferred compensation retirement plan that is available for state and local governments and those employed by tax-exempt organizations. Benefits depend solely on amounts contributed to the plan plus investments earnings.

Contributions to the plan are limited by the I.R.C 457(b) limit. The limit for calendar years 2023 and 2022 were \$22,500 and \$20,500 respectively. For participants aged 50 and over, an additional catch up \$7,500 may be contributed. The City's contribution rates for the mayor (22.9%), city clerk (19.9%), and police chief (31.5%) are stipulated by a city ordinance and applied to their base annual salary. The City's contribution rates for other administrative employees are determined and may be changed by the Mayor. There is no vesting period for contributions. All employees are eligible to voluntarily participate in the plan after completing the six-month probation period of their employment.

For the fiscal year ended June 30, 2023, the City made employer contributions of \$47,270 and employee contributions of \$6,695. At June 30, 2023, the City had \$34 in payables to the 457 plan for employee contributions.

NOTE 9 - ACCOUNTS AND OTHER PAYABLES The accounts and other payables at fiscal year ended June 30, 2023 are as follows:

Class of Payables	Nonmajor					
	General	Section 8	Governmental	Water	Sewer	Total
Accounts	\$ 151,916	\$ 218	\$ 9,355	\$ 79,460	\$ 1,336	\$ 242,285
Retainage	-	-	-	41,090	6,680	47,770
Wages	31,819	-	-	9,328	3,241	44,388
Judgements	5,000	-	-	-	-	5,000
Total	<u>\$ 188,735</u>	<u>\$ 218</u>	<u>\$ 9,355</u>	<u>\$129,878</u>	<u>\$ 11,257</u>	<u>\$ 339,443</u>

NOTE 10 - ON-BEHALF SUPPLEMENTAL PAY Certain employees meeting statutory qualifications in the fire and police departments receive supplemental pay directly from the State of Louisiana. This supplemental pay in the amount of \$43,200 is recognized as intergovernmental revenue and public safety expenditures. Of the \$43,200 recognized, the State paid \$18,000 to City police officers and \$25,200 to City firemen.

NOTE 11 - LONG-TERM DEBT Governmental activities long-term debt are direct obligations and pledge the full faith and credit of the City. The loans payable were issued for the purpose of the acquisition of major capital asset additions for the police and fire departments and are paid from excess revenues of the General fund.

The City has issued revenue bonds and loans payable in which the City pledged income derived from the acquired or constructed assets to pay debt service. This long-term debt is reported in the business-type activities, in which payments are made by the Water and Sewer funds. See Note 12 for additional information on pledged revenues.

City of Tallulah
Notes to the Financial Statements
For the Year Ended June 30, 2023

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

	<u>Issue Dates</u>	<u>Maturity Dates</u>	<u>Interest Rates</u>	<u>Original Amount</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Governmental activities						
Loans Payable:						
Fire Trucks	3/21/2022	3/1/2031	3.717%	\$ 323,185	\$ 291,885	
Police Cars	8/25/2019	1/25/2024	4.360%	174,220	37,879	
Business-type activities						
Revenue Bonds:						
Water Revenue Refunding Bonds Series 2021	7/29/2021	9/1/2032	1.85%	7,095,000		\$ 6,205,000
Loans payable:						
Sewer Rehab Phase I	9/6/2006	9/6/2046	4.375%	2,660,000		2,071,761
Sewer Rehab Phase II	9/6/2006	9/6/2046	4.375%	500,000		389,462
Sewer Equipment - Case Farnall Tractor	5/28/2021	6/1/2026	3.990%	57,344		34,730
Sewer Equipment - Kobelco Excavator	12/16/2021	12/16/2026	4.500%	82,850		59,938
Totals					329,764	8,760,891
Current Portion of Debt					(69,847)	(700,308)
Total Long Term Portion of Debt					\$ 259,917	\$ 8,060,583

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

<u>Year</u>	<u>Governmental Activities Debt</u>		<u>Water Enterprise Debt</u>		<u>Sewer Enterprise Debt</u>	
	<u>Direct Borrowings</u>		<u>Direct Borrowings</u>		<u>Direct Borrowings</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 69,847	\$ 14,830	\$ 610,000	\$ 109,150	\$ 90,308	\$ 110,016
2025	31,968	10,928	610,000	97,865	94,332	105,992
2026	33,165	9,732	630,000	86,395	97,481	101,795
2027	34,406	8,490	635,000	74,694	80,631	97,778
2028	37,031	7,202	650,000	62,807	74,663	94,465
2029-2033	119,621	14,932	3,070,000	130,610	426,386	419,254
2034-2038	-	-	-	-	530,437	315,203
2039-2043	-	-	-	-	659,875	188,770
2044-2047	-	-	-	-	501,778	36,672
Total	\$ 326,038	\$ 66,114	\$ 6,205,000	\$ 561,521	\$ 2,555,891	\$ 1,469,945

Insert component unit future maturities table

USDA Loan Letter of Conditions: As stated in the USDA's Letter of Conditions for each of the USDA loans payables, the City will be required to establish and maintain reserves sufficient to assure loan installments will be paid on time, for emergency maintenance, for extensions to facilities and replacement for short-lived assets which have a useful life significantly less than the repayment period of the loan. Borrowers issuing bonds or other evidences of debt pledging facility revenues as security will plan their reserve to provide for at least an annual reserve payment equal to one tenth of the average annual loan installment, with payments made monthly and evenly divided between a reserve fund and a depreciation and contingency fund, until an amount equal to the highest annual debt service payment in any future year is accumulated in the reserve fund; thereafter, all payments to be made into the depreciation and contingency fund.

City of Tallulah
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 12 - PLEDGED REVENUES The City has pledged future water and sewer customer revenues, net of specified operating expenses to repay \$6,205,000 in water revenue bonds payable and \$2,461,223 in sewer loans payable. Proceeds from revenue bonds/loans payable provided financing for the purpose of constructing and acquiring extensions, improvements to the waterworks and sewer systems of the City of Tallulah. The revenue bonds/loans payable are payable solely from water and sewer customer net revenues and are payable through fiscal year ending 2033 for the Water fund and fiscal year ending 2047 for the Sewer fund. Total principal and interest remaining to be paid on the water and sewer revenue bonds/loans payable is \$6,766,521 and \$3,924,015, respectively. Water principal and interest paid for the current year was \$740,528 and total net revenue (loss) per Statement H was \$681,178. The sewer principal and interest paid for the current year was \$169,128 and total net revenue (loss) per Statement H was \$(206,619). See Note 11 for additional information on the Water and Sewer revenue bonds/loans payable.

NOTE 13 - COMMITMENTS AND CONTINGENCIES

Contingencies: The City participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the City's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the government anticipates such amounts, if any, will be immaterial.

The City is also the defendant in various lawsuits. It is the opinion of management and legal counsel for the City that potential claims against the City not covered by insurance would not materially affect the financial statements.

Administrative Order: On January 2, 2019, the City was placed under an Administrative Order (AO) by the Louisiana Department of Health. The AO states that the City was non-compliant with several state primary drinking water regulations. The AO lists remedial actions that the City must undertake by specific deadlines to comply with all rules, regulations, and standards. If the City fails to meet the deadlines without an approved extension, the state health officer may assess a penalty up to a maximum of \$3,000 per day for each day the City's water system is not in compliance. At the date of this report, no fines have been assessed.

On October 22, 2020, the City Council approved a \$7.8 million water plant rehabilitation project that will address all issues listed in the administrative order, however the City anticipates the project costs will increase significantly due to the increases in construction costs since its approval. The City anticipates funding the water plant rehabilitation with a \$5 million IJIA Water Sector Program federal grant, a USDA loan (\$4.0 million), a USDA grant (\$3.8 million) and the American Rescue Act Plan funds. The USDA loan will be repaid from mandatory water rate increases. The project specifications and plans have been approved by LDHH and USDA. The project's bids will be opened on December 14, 2023.

Construction Projects: The City is involved in several projects as of June 30, 2023 which include the Ethel Street drainage project, the sewer plant aerator project, the new water well project, the water plant rehabilitation project, and two LCDBG grant projects for street and park improvements. At June 30, 2023, the City had approximately \$67 thousand remaining on the contract for construction of the new water well and \$161 thousand remaining on the contract for the sewer aerator project.

NOTE 14 - RISK MANAGEMENT The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, and automobile liability for which the City carries commercial insurance. The City currently has a \$10,000 deductible for its fire and casualty loss insurance coverage and no deductible for the other policies. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The City retains the risk of loss for general liability.

City of Tallulah

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REQUIRED SUPPLEMENTARY INFORMATION

City of Tallulah
Pension Supplementary Information
As of and for the Year Ended June 30, 2023

Exhibit 1-1

Schedule of the Employer's Proportionate Share of the Net Pension Liability
Last Nine Years

Fiscal Year*	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate share of the Net Pension Liability (Asset)	Covered Payroll	Employer's Proportionate share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Municipal Police Employees' Retirement System					
2015	0.115035%	\$ 719,668	\$ 205,010	351%	75.10%
2016	0.057648%	451,612	160,089	282%	70.73%
2017	0.029801%	279,319	90,854	307%	66.04%
2018	0.040175%	350,745	109,566	320%	70.08%
2019	0.067047%	566,819	203,590	278%	71.89%
2020	0.039777%	361,242	136,810	264%	71.01%
2021	0.031069%	287,150	102,036	281%	70.94%
2022	0.024260%	129,319	88,615	146%	84.09%
2023	0.028230%	288,561	79,960	361%	70.80%

* Amounts presented were determined as of the measurement date (previous fiscal year end).

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

City of Tallulah
Pension Supplementary Information
As of and for the Year Ended June 30, 2023

Notes to Required Supplementary Information for Pensions

Changes in benefit terms: Amounts reported after 2015 include a 3% COLA that was effective November 1, 2014.

Changes of assumptions: Prior to 2016, mortality assumptions were set based upon an experience for the period July 1, 2003 through June 20, 2008. For 2016 to 2020, mortality assumptions were based on an experience study for the period July 1, 2009 through June 20, 2014. For 2021 and after, mortality assumptions were based on an experience study for the period July 1, 2014 through June 20, 2019.

The following is a detail description of the changes in assumptions:

Report Date	Valuation Date	Investment Rate of Return	Inflation Rate	Mortality Rate - Annuitant and Beneficiary	Mortality Rate - Employees	Mortality Rate - Disabled Annuitants	Salary Increases
December 31,							
2015	2014	7.500%	3.000%	RP-2000 Sex Distinct Healthy Annuitant Mortality Tables set back 1 year males and females	RP-2000 Sex Distinct Employee Mortality Tables set back 1 year for males and females	RP-2000 Disables Lives Mortality Tables for Males and Females	Varying from 10.000% to 4.00% after 30 years
2016 & 2017	2015 & 2016	7.500%	2.875%	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 using Scale AA and set back 1 year for females	RP-2000 Sex Distinct Employee Tables set back 4 years for males and 3 years for females	RP-2000 Disables Lives Tables set back 5 years for males and set back 3 years for females	Varying from 9.75% to 4.25% after 23 years
2018	2017	7.325%	2.700%	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 using Scale AA and set back 1 year for females	RP-2000 Sex Distinct Employee Tables set back 4 years for males and 3 years for females	RP-2000 Disabled Lives Mortality Tables set back 5 years for males and 3 years for females	Varying from 9.75% to 4.25% after 23 years
2019	2018	7.200%	2.600%	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 using Scale AA and set back 1 year for females	RP-2000 Sex Distinct Employee Tables set back 4 years for males and 3 years for females	RP-2000 Disabled Lives Tables set back 5 years for males and set back 3 years for females	Varying from 9.75% to 4.25% after 23 years
2020	2019	7.125%	2.500%	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 using Scale AA and set back 1 year for females	RP-2000 Sex Distinct Employee Tables set back 4 years for males and 3 years for females	RP-2000 Disables Lives Tables set back 5 years for males and set back 3 years for females	Varying from 9.75% to 4.25% after 23 years
2021	2020	6.950%	2.500%	Pub-2010 Public Retirement Plans 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	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale	Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale	1 to 2 years of service - 12.30% Above 2 years of service - 4.70%
2022 & 2023	2021	6.750%	2.500%	Pub-2010 Public Retirement Plans 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	Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale	Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale	1 to 2 years of service - 12.30% Above 2 years of service - 4.70%

CITY OF TALLULAH

GENERAL
Budgetary Comparison Schedule
For the Year Ended June 30, 2023

Exhibit 2-1

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL	BUDGETARY BASIS	WITH FINAL BUDGET
BUDGETARY FUND BALANCES, BEGINNING	\$ 1,197,958	\$ 1,280,456	\$ 1,280,456	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	500,000	500,000	494,791	(5,209)
Sales and use	1,615,400	1,615,400	1,879,714	264,314
Other taxes, penalties, and interest	229,070	229,070	330,753	101,683
Licenses and permits	73,740	73,740	75,417	1,677
Intergovernmental revenues	221,645	221,645	281,228	59,583
Rental income	13,000	13,000	5,725	(7,275)
Use of money and property	-	-	4,250	4,250
Fines and forfeitures	196,800	196,800	354,683	157,883
Miscellaneous revenues	119,600	119,600	144,469	24,869
Transfers from other funds	54,000	54,000	-	(54,000)
Insurance recoveries	-	-	31,443	31,443
Amounts available for appropriations	<u>4,221,213</u>	<u>4,303,711</u>	<u>4,882,929</u>	<u>579,218</u>
Charges to appropriations (outflows)				
Current:				
General and administrative	681,750	726,750	799,129	(72,379)
Police department	836,460	836,460	831,352	5,108
Fire department	465,680	465,680	478,352	(12,672)
Street department	689,140	689,140	747,481	(58,341)
Health and welfare	2,000	2,000	-	2,000
Culture and recreation	143,605	143,605	106,885	36,720
Legislative	67,320	67,320	66,856	464
Transportation	48,000	48,000	39,564	8,436
Capital outlay	33,000	48,000	30,433	17,567
Debt service:				
Principal retirement	56,300	56,300	67,597	(11,297)
Interest and bank charges	-	-	17,305	(17,305)
Transfers to other funds	-	-	15,767	(15,767)
Total charges to appropriations	<u>3,023,255</u>	<u>3,083,255</u>	<u>3,200,721</u>	<u>(117,466)</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ 1,197,958</u>	<u>\$ 1,220,456</u>	<u>\$ 1,682,208</u>	<u>\$ 461,752</u>

City of Tallulah

**Notes to the Budgetary Comparison Schedule
For the Year Ended June 30, 2023**

Note A. BUDGET PRACTICES A preliminary budget for the ensuing year is prepared by the clerk in May. The proposed budget is reviewed by the mayor and the City Council and made available to the public. During the June meeting of the City Council, the City holds a public hearing on the proposed budget in order to receive comments from citizens. Changes are made to the proposed budget based on the public hearing and the desires of the City Council as a whole. The budget is then adopted during the June meeting, and notice is published in the official journal.

During the year, the City Council receives monthly budget comparison statements which are used as a tool to control the operations of the City. The City Clerk presents necessary budget amendments to the Council when he determines that actual operations are differing materially from those anticipated in the original budget. The Council in regular session reviews the proposed amendments, makes necessary changes, and formally adopts the amendments. The adoption of amendments is included in the City's minutes published in the official journal.

The budget is established and controlled by the mayor and Council members at the functional level of expenditure. Unexpended appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the mayor and the Council members. The City does not use encumbrance accounting in its accounting system.

Note B. EXCESS OF ACTUAL EXPENDITURES OVER BUDGETED APPROPRIATIONS The following individual fund had actual expenditures over budgeted expenditures for the year ended June 30, 2023:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General	\$ 3,083,255	\$ 3,200,721	\$ (117,466)
Section 8	184,000	232,307	(48,307)

Note C. BUDGET TO GAAP RECONCILIATION Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures:

	<u>GENERAL</u>	<u>SECTION 8</u>
<u>Sources/inflows of resources:</u>		
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 4,882,929	\$ 262,217
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(1,280,456)	(40,740)
Insurance recoveries are shown as resources (inflows) for budgetary purposes but as other financing sources for reporting purposes	(31,443)	-
Total revenues as reported on the Statement of Revenues, Expenditures, and changes in Fund Balances - Governmental Funds	\$ 3,571,030	\$ 221,477
<u>Uses/outflows of resources:</u>		
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 3,200,721	\$ 232,307
Transfers to other funds classified and expenditures for budgetary purposes and as an operating transfer for financial reporting	(15,767)	-
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 3,184,954	\$ 232,307

City of Tallulah

**Nonmajor Governmental Funds
For the Year Ended June 30, 2023**

SPECIAL REVENUE STREET – is used to account for the proceeds of an ad valorem tax dedicated for the maintenance of City streets.

CAPITAL PROJECTS – is used to account for the accumulation of resources for and costs related to the following capital projects:

- Ethel Street Drainage Project
- LCDBG Street Improvement Project
- LCDBG Park Improvement Project

CITY OF TALLULAH

NONMAJOR GOVERNMENTAL FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances - By Fund Type
 For the Year Ended June 30, 2023

Exhibit 4

	SPECIAL REVENUE STREET	CAPITAL PROJECTS	TOTAL
REVENUES			
Taxes:			
Ad valorem	\$ 131,205	\$ -	\$ 131,205
Use of money and property	1,985	2	1,987
TOTAL REVENUES	<u>133,190</u>	<u>2</u>	<u>133,192</u>
EXPENDITURES			
Current:			
General and administrative	-	451	451
Street department	88,889	-	88,889
TOTAL EXPENDITURES	<u>97,889</u>	<u>97,892</u>	<u>195,781</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	35,301	(97,890)	(62,589)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	97,919	97,919
Net Change in Fund Balances	(46,851)	29	(46,822)
FUND BALANCES - BEGINNING	<u>185,415</u>	<u>37</u>	<u>185,452</u>
FUND BALANCES - ENDING	<u>\$ 138,564</u>	<u>\$ 66</u>	<u>\$ 138,630</u>

CITY OF TALLULAH

PROPRIETARY FUND TYPE - ENTERPRISE FUNDS
 Comparative Statement of Net Position
 June 30, 2023 and 2022

Exhibit 5

	2023 WATER	2022 WATER	2023 SEWER	2022 SEWER
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	\$ -	\$ -	\$ 196,131	\$ 366,522
Receivables, net	319,280	242,838	127,643	122,517
Interfund receivables	-	566	143,313	49,274
Restricted Assets:				
Cash and cash equivalents	1,226,911	1,222,002	288,288	269,586
TOTAL CURRENT ASSETS	1,546,191	1,465,406	755,375	807,899
NONCURRENT ASSETS:				
Capital Assets:				
Land and construction in progress	556,361	140,621	703,879	626,079
Depreciable assets, net of depreciation	870,747	1,115,328	10,429,135	10,785,175
TOTAL NONCURRENT ASSETS	1,427,108	1,255,949	11,133,014	11,411,254
TOTAL ASSETS	2,973,299	2,721,355	11,888,389	12,219,153
LIABILITIES				
CURRENT LIABILITIES:				
Accounts and other payables	129,878	79,535	11,257	97,538
Interfund payables	176,265	79,898	-	-
Interest payable	38,264	42,088	-	-
Payable from restricted assets - customer deposits	161,156	168,991	-	-
Compensated absences	9,460	8,000	2,361	3,973
Revenue bonds payable - current	610,000	620,000	-	-
Loans payable - current	-	-	90,308	86,427
TOTAL CURRENT LIABILITIES	1,125,023	998,512	103,926	187,938
NONCURRENT LIABILITIES:				
Revenue bonds payable, net	5,595,000	6,205,000	-	-
Loans payable	-	-	2,465,584	2,555,892
TOTAL NONCURRENT LIABILITIES	5,595,000	6,205,000	2,465,584	2,555,892
TOTAL LIABILITIES	6,720,023	7,203,512	2,569,510	2,743,830
NET POSITION				
Net investment in capital assets	(4,818,982)	(5,569,051)	8,570,442	8,768,935
Restricted for debt service	1,057,460	1,059,912	288,288	269,586
Unrestricted	14,798	26,982	460,149	436,802
TOTAL NET POSITION	\$ (3,746,724)	\$ (4,482,157)	\$ 9,318,879	\$ 9,475,323

SEE INDEPENDENT AUDITOR'S REPORT

CITY OF TALLULAH, LOUISIANA

**Financial Data Schedule
Program Balance Sheet Summary
June 30, 2023**

Exhibit 7

Submission Type: unaudited

Fiscal Year End : 06/30/2023

	14.871 Housing	
	Choice Vouchers	Total
112 Cash - Unrestricted	\$ 26,581	\$ 26,581
112.1 Cash - Restricted	-	-
124 Accounts Receivable - Other Gov't	3,547	3,547
190 Total Assets	<u>\$ 30,128</u>	<u>\$ 30,128</u>
312 Accounts Payable <= 90 Days	218	218
342 Unearned Revenue	-	-
347 Inter Program - Due To	-	-
300 Total Liabilities	<u>218</u>	<u>218</u>
512.1 Unrestricted Net Assets	29,910	29,910
512.2 Restricted Net Assets	-	-
513 Total Equity/Net Assets	<u>29,910</u>	<u>29,910</u>
600 Total Liabilities and Equity/Net Assets	<u>\$ 30,128</u>	<u>\$ 30,128</u>

(Continued)

CITY OF TALLULAH, LOUISIANA

**Justice System Funding Schedule - Collecting/Disbursing Entity
As Required by Act 87 of the 2020 Regular Legislative Session
General Fund
Cash Basis Presentation
For the Six-Month Periods Ended December 31, 2022 and June 30, 2023**

Exhibit 8

	First Six- Month Period Ended 12/31/2022	Second Six- Month Period Ended 6/30/2023
Beginning Balance of Amounts Collected	\$ 9,331	\$ 26,239
Add: Collections		
Civil Fees (including refundable amounts such as garnishments or advance deposits)	172,055	147,509
Bond Fees	17,016	19,398
Criminal Court Costs/Fees	10,559	11,223
Service/Collection Fees (e.g., credit card fees, report fees, third-party service fees)	1,924	2,769
Subtotal Collections	201,554	180,899
Less: Amounts Disbursed to Governments and Nonprofits		
Louisiana Commission on Law Enforcement - Post Fees	-	11,600
Louisiana Commission on Law Enforcement - Crime Victims	-	128
Northeast Crime Lab - Lab Fees	-	10,230
State of Louisiana, Treasurer - CMIS Fees	-	1,039
Louisiana Commission on Law Enforcement - Trust Fund	-	936
Less: Amounts Retained by Collecting Agency		
Self-Disbursed: Bond Fees	17,016	19,398
Self-Disbursed: Criminal Court Costs/Fees	10,559	11,223
Self-Disbursed: Civil Fines - Other	155,147	138,971
Self-Disbursed: Service/Collection Fees	1,924	2,680
Less: Disbursements to Individuals/Third-Party Collection or Processing Agencies		
Civil Fee Refunds	-	57
Bond Fee Refunds	-	250
Other Disbursements to Individuals (additional detail is not required)	-	207
Subtotal Disbursements/Retainage	184,646	196,719
Ending Balance of Amounts Collected but not Disbursed/Retained	\$ 26,239	\$ 10,419
Other Information		
Ending Balance of Total Amounts Assessed but not yet Collected	\$ -	\$ -
Total Waivers during the Fiscal Period	\$ -	\$ -

**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**

Independent Auditor's Report

The Honorable Charles Finlayson, Mayor
and the Members of the City Council
City of Tallulah, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Tallulah, Louisiana (the City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Tallulah, Louisiana's basic financial statements, and have issued our report thereon dated December 19, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of this Report

This report is intended solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



A Professional Accounting Corporation

Baton Rouge, LA
December 19, 2023

CITY OF TALLULAH, LOUISIANA
Schedule of Findings and Responses (Continued)
For Year Ended June 30, 2023

A. Summary of Auditor's Results

Financial Results

- | | |
|--|------------|
| 1. Type of auditor's report | Unmodified |
| 2. Internal control over financial reporting | |
| a. Material weaknesses identified? | None |
| b. Significant deficiencies identified not considered to be material weaknesses? | None |
| c. Noncompliance material to the financial statements noted? | None |
| d. Other matter? | No |

Federal Awards

Not applicable.

B. Findings - Financial Statement Audit

None.

C. Other Matters

None.

CITY OF TALLULAH, LOUISIANA
Schedule of Prior Year Findings and Responses
For Year Ended June 30, 2023

2022-001 Failure to Amend Budget (LRS 39:1310)

This finding has been resolved

AGREED-UPON PROCEDURES REPORT

City of Tallulah, Louisiana

Independent Accountant's Report
On Applying Agreed-Up On Procedures

For the Period July 1, 2022 - June 30, 2023

To the Honorable Charles Finlayson
and Members of the City Council
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) Statewide Agreed-Up On Procedures (SAUPs) for the fiscal period July 1, 2022 through June 30, 2023. The City of Tallulah, Louisiana (the City) management is responsible for those C/C areas identified in the SAUPs.

The City 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 the LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, the 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:

1) **Written Policies and Procedures**

- A. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - ii. **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.
 - iii. **Disbursements**, including processing, reviewing, and approving.

- iv. **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).
- v. **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.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **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).
- ix. **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.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **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.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: No exceptions were noted as a result of performing these procedures.

2) **Board or Finance Committee**

- A. 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:
- i. 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.
 - ii. For those entities reporting on the governmental accounting model, observe that 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.*
 - iii. 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.
 - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Results: We performed procedure i and iv with no exceptions. While performing procedure b, we noted the budget-to-actual report is submitted to the Council and reviewed quarterly, but the minutes did not reference review of monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual on proprietary funds, or semi-annual budget-to-actual on special revenue funds. Procedure iii is not applicable as the City did not have a negative unassigned fund balance in the prior year.

3) **Bank Reconciliations**

- A. 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:
- i. 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);
 - ii. 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

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

Results: No exceptions were noted as a result of performing these procedures.

4) Collections (excluding electronic funds transfers)

- A. 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).
- B. 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:
 - i. Employees that are responsible for cash collections do not share cash drawers/registers.
 - ii. 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.
 - iii. 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.
 - iv. 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.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was enforced during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3A 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:
 - i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

- iii. Trace the deposit slip total to the actual deposit per the bank statement.
- iv. Observe that 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).
- v. Trace the actual deposit per the bank statement to the general ledger.

Results: We were not able to perform procedures i, ii, and iv as a collections log is not kept. We noted no other exceptions in the performance of these procedures.

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

- A. 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).
- B. 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:
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - ii. At least two employees are involved in processing and approving payments to vendors.
 - iii. 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.
 - iv. 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.
 - v. Only employee/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

[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.]
- C. For each location selected under #5A 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:
 - i. Observe that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.

- ii. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B, as applicable.
- D. 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.

Results: No exceptions were noted as a result of performing these procedures.

6) *Credit Cards/Debit Cards/Fuel Cards/P-Cards*

- A. 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.
- B. 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:
- i. Observe that 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.]
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under #6B 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 that 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.

Results: We performed procedure a with no exceptions. We did not observe evidence that the monthly statement was reviewed and approved in writing by someone other than the authorized card holder (a) outside of the Mayor signing the checks. While performing procedure b, we noted late fees assessed on two statements. We performed procedure c and noted that original itemized receipt was not retained for 6 of 16 transactions. For 4 meal transactions, individuals participating was not documented, and for 7 of 16 transactions a documented business/public purpose was not documented.

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

- A. 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:
- i. If reimbursed using a per diem, observe that 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).
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - iii. Observe that 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).
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: No exceptions were noted as a result of performing these procedures.

8) Contracts

- A. 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:
- i. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - ii. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

- iii. If the contract was amended (e.g., change order), observe that 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).
- iv. 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 that the invoice and related payment agreed to the terms and conditions of the contract.

Results: No exceptions were noted as a result of performing these procedures.

9) Payroll and Personnel

- A. 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.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #9A above, obtain attendance records and leave documentation for the pay period, and:
 - i. Observe that 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.)
 - ii. Observe that supervisors approved the attendance and leave of the selected employees or officials.
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - iv. Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
- C. 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 2 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.
- D. 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.

Results: No exceptions were noted as a result of performing these procedures.

10) *Ethics*

- A. Using the 5 randomly selected employees/officials from procedure #9A under "Payroll and Personnel" above: obtain ethics documentation from management, and:
- i. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - ii. Observe that 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.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Results: For the 1 of the 5 employees/officials selected, we were unable to observe documentation that each employee completed one hour of ethics training during the fiscal period.

11) *Debt Service*

- A. 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 that State Bond Commission approval was obtained for each debt instrument issued.
- B. 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).

Results: No exceptions were noted as a result of performing these procedures.

12) *Fraud Notice*

- A. 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.
- B. Observe that 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.

Results: No exceptions were noted as a result of performing these procedures.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, verbally discuss the results with management, and report: "We performed the procedures and discussed the results with management."
- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported. 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.
 - ii. 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.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C:
- i. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Results: We performed the procedures and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
- B. Observe that 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).
- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1st, and observe that it includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;

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

Results: For the 5 employees/officials selected, we were unable to observe documentation that each employee completed at least one hour of sexual harassment training during the calendar year. We performed procedure b above without exception. We were unable to observe the City's annual sexual harassment report. We were engaged by the City. 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 City 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.

A Professional Accounting Corporation



Baton Rouge, LA
December 19, 2023

Mr. Michael J. Waguespack
Louisiana Legislative Auditor
1600 N 3rd Street
P.O. Box 94397
Baton Rouge, LA 70804-9397

RE: SAUP Agreed-Upon Procedures

The management of the City of Tallulah wishes to provide the following responses relative to the results of the 2023 statewide agreed-upon procedures engagement:

- 1) In response to the Board section, the City Council will begin noting the review of the budget to actual comparisons in the City Council minutes on a monthly basis.
- 2) In response to the results of the Collections procedures, management will amend its policies and procedures and will begin preparing a collection log on a daily basis.
- 3) In response to the results of the Credit Cards procedures, management will ensure that support is maintained and business purpose is documented on all future credit card charges and that participants in meal charges are documented in writing. Management will also ensure that future credit card statements are paid timely in order to avoid finance charges.
- 4) In response to the results of the Ethics procedures, management will ensure that all employees and officials take the mandatory annual ethics training.
- 5) In response to the Sexual Harassment procedures, management will post the policy on its premises and on its website and will prepare the report prior to February 1st of each year. Management will ensure that all employees and officials take the annual training.

Sincerely,



Charles Finlayson
Mayor