

TOWN OF GUEYDAN, LOUISIANA
Financial Report

Year Ended December 31, 2021

TABLE OF CONTENTS

| | Page |
|---|-----------|
| Independent Auditor's Report | 1-3 |
| BASIC FINANCIAL STATEMENTS | |
| GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS) | |
| Statement of net position | 6 |
| Statement of activities | 7 |
| FUND FINANCIAL STATEMENTS (FFS) | |
| Balance sheet - governmental funds | 9 |
| Reconciliation of the governmental funds balance sheet to the statement of net position | 10 |
| Statement of revenues, expenditures, and changes in fund balances - governmental funds | 11 |
| Reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities | 12 |
| Statement of net position - proprietary funds | 13 |
| Statement of revenues, expenses, and changes in fund net position - proprietary funds | 14 |
| Statement of cash flows - proprietary funds | 15-16 |
| Notes to basic financial statements | 17-30 |
| REQUIRED SUPPLEMENTARY INFORMATION | |
| Budgetary comparison schedules: | |
| General Fund | 32 |
| Sales Tax Fund | 33 |
| Notes to Budgetary Comparison Schedule | 34 |
| SUPPLEMENTARY INFORMATION | |
| Schedule of compensation | 36 |
| Justice System Funding Schedule - Collecting/Disbursing Entity | 37 |

(continued)

TABLE OF CONTENTS (CONTINUED)

| | <u>Page</u> |
|---|-------------|
| OTHER INFORMATION | |
| Nonmajor Governmental Funds - | |
| Nonmajor Special Revenue Funds - | |
| Balance sheet | 41 |
| Statement of revenues, expenditures, and changes in fund balance | 42 |
| Comparative departmental analysis of operating revenues and expenses - | |
| Utility Fund | 43 |
| INTERNAL CONTROL, COMPLIANCE AND OTHER MATTERS | |
| Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 45-46 |
| Schedule of current and prior year audit findings and management's corrective action plan | 47-53 |

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Matthew E. Margaglio, CPA*
Casey L. Ardoin, CPA, CFE*
Wanda F. Arcement, CPA
Bryan K. Joubert, CPA
Nicholas Fowlkes, CPA

C. Burton Kolder, CPA*
Of Counsel

Victor R. Slaven, CPA* - retired 2020
Christine C. Doucet, CPA – retired 2022

183 S. Beadle Rd. 11929 Bricksome Ave.
Lafayette, LA 70508 Baton Rouge, LA 70816
Phone (337) 232-4141 Phone (225) 293-8300

1428 Metro Dr. 450 E. Main St.
Alexandria, LA 71301 New Iberia, LA 70560
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr.
Abbeville, LA 70510 Morgan City, LA 70380
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 332 W. Sixth Ave.
Ville Platte, LA 70586 Oberlin, LA 70655
Phone (337) 363-2792 Phone (337) 639-4737

WWW.KCSRCPAS.COM

* A Professional Accounting Corporation

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Gueydan, Louisiana as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town of Gueydan's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Gueydan, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Town of Gueydan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 Town of Gueydan's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion,

forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Gueydan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Gueydan's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 32 - 34 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Gueydan's basic financial statements. The accompanying schedules of compensation and Justice System Funding Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 schedules of compensation and Justice System Funding Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the financial report. The other information comprises the nonmajor governmental funds financial statements and comparative departmental analysis of operating revenues and expenses but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2022, on our consideration of the Town of Gueydan’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Gueydan’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 Town of Gueydan’s internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
June 27, 2022

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

TOWN OF GUEYDAN, LOUISIANA

Statement of Net Position
December 31, 2021

| | Governmental Activities | Business-Type Activities | Total |
|------------------------------------|----------------------------|-----------------------------|----------------------|
| ASSETS | | | |
| Cash and interest-bearing deposits | \$1,303,857 | \$781,789 | \$2,085,646 |
| Receivables, net | 49,355 | 175,866 | 225,221 |
| Other Assets | 73,233 | 247 | 73,480 |
| Internal balances | 4,217 | (4,217) | - |
| Prepaid expense | 2,991 | - | 2,991 |
| Restricted assets: | | | |
| Interest bearing deposits | - | 33,131 | 33,131 |
| Capital assets: | | | |
| Non-depreciable | 439,076 | - | 439,076 |
| Depreciable, net | 7,609,916 | 2,195,968 | 9,805,884 |
| Total assets | <u>9,482,645</u> | <u>3,182,784</u> | <u>12,665,429</u> |
| LIABILITIES | | | |
| Accounts and other payables | 257,261 | 147,744 | 405,005 |
| Retainage payable | 38,828 | - | 38,828 |
| Unearned revenue | - | 249,281 | 249,281 |
| Customers' deposits | - | 33,131 | 33,131 |
| Total liabilities | <u>296,089</u> | <u>430,156</u> | <u>726,245</u> |
| NET POSITION | | | |
| Net investment in capital assets | 8,010,163 | 2,195,968 | 10,206,131 |
| Restricted | 1,034,309 | - | 1,034,309 |
| Unrestricted | 142,084 | 556,660 | 698,744 |
| Total net position | <u>\$ 9,186,556</u> | <u>\$ 2,752,628</u> | <u>\$ 11,939,184</u> |

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

TOWN OF GUEYDAN, LOUISIANA

Statement of Activities
For the Year Ended December 31, 2021

| Activities | Expenses | Program Revenues | | Net (Expense) Revenue and Change in Net Position | | |
|--|--------------|--|--|---|-----------------------------|---------------|
| | | Fees, Fines, and Charges for Services | Operating Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| Governmental activities: | | | | | | |
| General government | \$ 285,419 | \$ 79,057 | \$ - | \$ (206,362) | \$ - | \$ (206,362) |
| Public safety | 648,338 | - | 628,533 | (19,805) | - | (19,805) |
| Public works | 536,863 | - | - | (536,863) | - | (536,863) |
| Culture and recreation | 42,419 | 10,618 | - | (31,801) | - | (31,801) |
| Total governmental activities | 1,513,039 | 89,675 | 628,533 | (794,831) | - | (794,831) |
| Business-type activities: | | | | | | |
| Electricity | 1,129,286 | 1,623,008 | - | - | 493,722 | 493,722 |
| Gas | 190,547 | 236,219 | - | - | 45,672 | 45,672 |
| Water | 243,173 | 196,462 | - | - | (46,711) | (46,711) |
| Sewer | 199,431 | 165,148 | - | - | (34,283) | (34,283) |
| Total business-type activities | 1,762,437 | 2,220,837 | - | - | 458,400 | 458,400 |
| Total | \$ 3,275,476 | \$ 2,310,512 | \$ 628,533 | (794,831) | 458,400 | (336,431) |
| General revenues: | | | | | | |
| Taxes - | | | | | | |
| Property taxes, levied for general purposes | | | | 21,448 | - | 21,448 |
| Sales and use taxes, levied for general purposes | | | | 223,318 | - | 223,318 |
| Beer taxes | | | | 2,513 | - | 2,513 |
| Interest and investment earnings | | | | 4,180 | 1,063 | 5,243 |
| Miscellaneous | | | | 55,321 | - | 55,321 |
| Transfers | | | | 300,446 | (300,446) | - |
| Total general revenues and transfers | | | | 607,226 | (299,383) | 307,843 |
| Change in net position | | | | (187,605) | 159,017 | (28,588) |
| Net position - beginning | | | | 9,374,161 | 2,593,611 | 11,967,772 |
| Net position - ending | | | | \$ 9,186,556 | \$ 2,752,628 | \$ 11,939,184 |

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

FUND FINANCIAL STATEMENTS (FFS)

TOWN OF GUEYDAN, LOUISIANA

Balance Sheet
Governmental Funds
December 31, 2021

| | <u>General</u> | <u>Sales Tax Special Revenue</u> | <u>Capital Projects Fund</u> | <u>Other Governmental Funds</u> | <u>Total</u> |
|-------------------------------------|-------------------|--|--------------------------------------|---|---------------------|
| ASSETS | | | | | |
| Cash | \$ 61,310 | \$ 211,592 | \$ 376 | \$ 168 | \$ 273,446 |
| Interest-bearing deposits | 82,779 | 947,632 | - | - | 1,030,411 |
| Receivables: | | | | | |
| Taxes Receivable | 4,363 | 44,577 | - | - | 48,940 |
| Accrued interest | - | 415 | - | - | 415 |
| Due from other funds | 4,217 | - | - | - | 4,217 |
| Due from other governmental units | - | - | 73,233 | - | 73,233 |
| Prepaid insurance | 2,991 | - | - | - | 2,991 |
| Total assets | <u>\$ 155,660</u> | <u>\$ 1,204,216</u> | <u>\$ 73,609</u> | <u>\$ 168</u> | <u>\$ 1,433,653</u> |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 44,033 | \$ 131,623 | \$ 73,233 | \$ - | \$ 248,889 |
| Retainage payable | - | 38,828 | - | - | 38,828 |
| Accrued expenses | 8,372 | - | - | - | 8,372 |
| Total liabilities | <u>52,405</u> | <u>170,451</u> | <u>73,233</u> | <u>-</u> | <u>296,089</u> |
| Fund balances: | | | | | |
| Nonspendable - prepaids | 2,991 | - | - | - | 2,991 |
| Restricted | - | 1,033,765 | 376 | 168 | 1,034,309 |
| Unassigned | 100,264 | - | - | - | 100,264 |
| Total fund balances | <u>103,255</u> | <u>1,033,765</u> | <u>376</u> | <u>168</u> | <u>1,137,564</u> |
| Total liabilities and fund balances | <u>\$ 155,660</u> | <u>\$ 1,204,216</u> | <u>\$ 73,609</u> | <u>\$ 168</u> | <u>\$ 1,433,653</u> |

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

TOWN OF GUEYDAN, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2021

| | |
|---|----------------------------|
| Total fund balances for governmental funds | \$ 1,137,564 |
| Capital assets, net | <u>8,048,992</u> |
| Total net position of governmental activities | <u><u>\$ 9,186,556</u></u> |

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

TOWN OF GUEYDAN, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds

For the Year Ended December 31, 2021

| | General | Sales Tax Special Revenue | Capital Projects Fund | Other Governmental Funds | Total |
|--|-------------------|---------------------------------|-----------------------------|--------------------------------|---------------------|
| Revenues: | | | | | |
| Taxes | \$ 21,448 | \$ 223,318 | \$ - | \$ - | \$ 244,766 |
| Licenses and permits | 66,575 | - | - | - | 66,575 |
| Intergovernmental | 310,042 | - | 321,004 | - | 631,046 |
| Charges for services | 13,934 | - | - | - | 13,934 |
| Fines and forfeitures | 8,348 | - | - | - | 8,348 |
| Interest | 192 | 3,988 | - | - | 4,180 |
| Other | 56,139 | - | - | - | 56,139 |
| Total revenues | <u>476,678</u> | <u>227,306</u> | <u>321,004</u> | <u>-</u> | <u>1,024,988</u> |
| Expenditures: | | | | | |
| Current - | | | | | |
| General government | 294,755 | 27,030 | - | - | 321,785 |
| Public safety | 623,064 | - | - | - | 623,064 |
| Public works | 266,986 | - | - | - | 266,986 |
| Culture and recreation | 42,419 | - | - | - | 42,419 |
| Capital outlays | 56,860 | 406,716 | - | - | 463,576 |
| Total expenditures | <u>1,284,084</u> | <u>433,746</u> | <u>-</u> | <u>-</u> | <u>1,717,830</u> |
| (Deficiency) excess of revenues over expenditures | <u>(807,406)</u> | <u>(206,440)</u> | <u>321,004</u> | <u>-</u> | <u>(692,842)</u> |
| Other financing sources: | | | | | |
| Transfers in | 764,834 | - | - | - | 764,834 |
| Transfers out | <u>-</u> | <u>(143,760)</u> | <u>(320,628)</u> | <u>-</u> | <u>(464,388)</u> |
| Total other financing sources (uses) | <u>764,834</u> | <u>(143,760)</u> | <u>(320,628)</u> | <u>-</u> | <u>300,446</u> |
| Net changes in fund balances | (42,572) | (350,200) | 376 | - | (392,396) |
| Fund balances, beginning | <u>145,827</u> | <u>1,383,965</u> | <u>-</u> | <u>168</u> | <u>1,529,960</u> |
| Fund balances, ending | <u>\$ 103,255</u> | <u>\$ 1,033,765</u> | <u>\$ 376</u> | <u>\$ 168</u> | <u>\$ 1,137,564</u> |

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

TOWN OF GUEYDAN, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2021

| | | |
|--|------------------|---------------------|
| Total net changes in fund balances per Statement of Revenues, Expenditures and Changes in Fund Balances | | \$ (392,396) |
| Capital assets: | | |
| Capital outlay | \$ 540,364 | |
| Depreciation expense | <u>(335,573)</u> | 204,791 |
| Total changes in net position per Statement of Activities | | <u>\$ (187,605)</u> |

TOWN OF GUEYDAN, LOUISIANA

Proprietary Fund
Statement of Net Position
December 31, 2021

ASSETS

| | |
|---|------------------|
| Current assets: | |
| Cash | \$ 576,260 |
| Interest-bearing deposits | 205,529 |
| Accounts receivable, net of allowance | 148,914 |
| Unbilled utility receivables | 26,952 |
| Other assets | <u>247</u> |
| Total current assets | <u>957,902</u> |
| Noncurrent assets: | |
| Restricted assets - | |
| Interest-bearing deposits | 33,131 |
| Capital assets, net of accumulated depreciation | <u>2,195,968</u> |
| Total noncurrent assets | <u>2,229,099</u> |
| Total assets | <u>3,187,001</u> |

LIABILITIES

| | |
|---------------------------|----------------|
| Current liabilities: | |
| Accounts payable | 132,487 |
| Due to other funds | 4,217 |
| Accrued expenses | 11,811 |
| Unearned revenue | 249,281 |
| Other payable | <u>3,446</u> |
| Total current liabilities | 401,242 |
| Noncurrent liabilities: | |
| Customers' deposits | <u>33,131</u> |
| Total liabilities | <u>434,373</u> |

NET POSITION

| | |
|----------------------------------|---------------------------|
| Net investment in capital assets | 2,195,968 |
| Unrestricted | <u>556,660</u> |
| Total net position | <u><u>\$2,752,628</u></u> |

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

TOWN OF GUEYDAN, LOUISIANA

Proprietary Fund
Statement of Revenues, Expenses, and Changes in Fund Net Position
Year Ended December 31, 2021

| | |
|-----------------------------------|---------------------------|
| Operating revenues: | |
| Charges for services | \$2,195,932 |
| Miscellaneous | <u>24,905</u> |
| Total operating revenues | <u>2,220,837</u> |
| Operating expenses: | |
| Electric department expenses | 1,123,828 |
| Gas department expenses | 163,798 |
| Water department expenses | 134,756 |
| Sewerage department expenses | 145,703 |
| Depreciation | <u>194,352</u> |
| Total operating expenses | <u>1,762,437</u> |
| Operating income | <u>458,400</u> |
| Nonoperating revenues (expenses): | |
| Interest income | <u>1,063</u> |
| Income before transfers | 459,463 |
| Transfers in | 379,554 |
| Transfers out | <u>(680,000)</u> |
| Change in net position | 159,017 |
| Net position, beginning | <u>2,593,611</u> |
| Net position, ending | <u><u>\$2,752,628</u></u> |

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

TOWN OF GUEYDAN, LOUISIANA

Statement of Cash Flows
 Proprietary Fund
 Year Ended December 31, 2021

| | |
|--|-------------------|
| Cash flows from operating activities: | |
| Receipts from customers | \$2,169,035 |
| Payments to suppliers | (1,326,627) |
| Payments to employees | (221,521) |
| Other receipts | <u>24,658</u> |
| Net cash provided by operating activities | <u>645,545</u> |
| | |
| Cash flows from noncapital financing activities: | |
| Transfers from other funds | 379,554 |
| Transfers to other funds | (680,000) |
| Interfund liabilities | <u>4,217</u> |
| Net cash used by noncapital financing activities | <u>(296,229)</u> |
| | |
| Cash flows from capital and related financing activities: | |
| Grants and other contributions | 249,280 |
| Acquisition of capital assets | <u>(474,746)</u> |
| Net cash used by capital and related financing activities | <u>(225,466)</u> |
| | |
| Cash flows from investing activities: | |
| Proceeds of investments and interest-bearing deposits with maturity in excess of ninety days | 182,160 |
| Purchase of investments and interest-bearing deposits with maturity in excess of ninety days | (182,879) |
| Interest on investments | <u>1,063</u> |
| Net cash provided by investing activities | <u>344</u> |
| Net change in cash and cash equivalents | 124,194 |
| | |
| Cash and cash equivalents, beginning of period | <u>507,847</u> |
| Cash and cash equivalents, end of period | <u>\$ 632,041</u> |

(continued)

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

TOWN OF GUEYDAN, LOUISIANA

Statement of Cash Flows
 Proprietary Fund (continued)
 For the Year Ended December 31, 2021

| | |
|--|-------------------|
| Cash flows from operating activities: | |
| Operating income | \$ 458,400 |
| Adjustments to reconcile operating income to net cash provided by operating activities - | |
| Depreciation | 194,352 |
| (Increase) decrease in operating assets | |
| Accounts receivable | (24,048) |
| Unbilled utilities receivable | (2,849) |
| Other assets | (247) |
| Increase (decrease) in operating liabilities | |
| Accounts payable | 8,708 |
| Accrued expenses | 11,469 |
| Other payable | (240) |
| Net cash provided by operating activities | <u>\$ 645,545</u> |

Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:

| | |
|--|------------------|
| Cash and cash equivalents, beginning of period - | |
| Cash- unrestricted | \$ 454,039 |
| Interest-bearing deposits, unrestricted | 204,807 |
| Interest-bearing deposits, restricted | 31,161 |
| Less: Interest-bearing deposits with a maturity in excess of 90 days | <u>(182,160)</u> |
| Total cash and cash equivalents | <u>507,847</u> |

Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:

| | |
|--|-------------------|
| Cash and cash equivalents, end of period - | |
| Cash- unrestricted | 576,260 |
| Interest-bearing deposits, unrestricted | 205,529 |
| Interest-bearing deposits, restricted | 33,131 |
| Less: Interest-bearing deposits with a maturity in excess of 90 days | <u>(182,879)</u> |
| Total cash and cash equivalents | <u>632,041</u> |
| Net change | <u>\$ 124,194</u> |

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

TOWN OF GUEYDAN, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

The Town was incorporated under the provisions of the Lawrason Act. The Town operates under a Mayor-Board of Aldermen form of government. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but 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. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be 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. The Town of Gueydan has no such component units.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the Town of Gueydan, the primary government, as a whole. They include all funds of the reporting entity, except fiduciary funds and component units that are fiduciary in nature. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

TOWN OF GUEYDAN, LOUISIANA

Notes to Basic Financial Statements

Fund Financial Statements

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Fund financial statements report detailed information about the Town.

The various funds of the Town are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

- a. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined

The major funds of the Town are described below:

Governmental Funds –

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

The Sales Tax Special Revenue Fund accounts for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for specific purposes.

The Capital Projects Fund accounts for capital projects funded by dedicated revenue sources including LCDBG grants.

TOWN OF GUEYDAN, LOUISIANA

Notes to Basic Financial Statements

Enterprise Fund –

Utility Fund

The Utility Fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Town applies all applicable principles under the Governmental Accounting Standards Board (GASB) in accounting and reporting for its enterprise fund.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

TOWN OF GUEYDAN, LOUISIANA

Notes to Basic Financial Statements

Basis of Accounting

In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Program revenues

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the Town's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Town's general revenues.

Allocation of indirect expenses

The Town reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions, but are reported separately in the Statement of Activities. 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.

TOWN OF GUEYDAN, LOUISIANA

Notes to Basic Financial Statements

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

Cash and interest-bearing deposits

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Town. For the purpose of the proprietary fund statement of cash flows, “cash and cash equivalents” include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less when purchased.

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from other funds.” Short-term interfund loans are reported as ‘interfund receivables and payables.’ Long-term interfund loans (noncurrent portion) are reported as “advances from and to other funds.” Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include ad valorem and sales and use taxes. Business-type activities report customer’s utility service receivables as their major receivables. Uncollectible ad valorem taxes or utility service receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At December 31, 2021, an allowance for ad valorem taxes was considered unnecessary due to immateriality. The allowance for uncollectibles for customers’ utility receivables at December 31, 2021 was \$32,407. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2021, are recorded as prepaid items.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide or financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town maintains a threshold level of \$1,000 or more for capitalizing capital assets.

TOWN OF GUEYDAN, LOUISIANA

Notes to Basic Financial Statements

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Prior to January 1, 2003, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. Land and construction in progress are not depreciated. The range of estimated useful lives by type of asset is as follows:

| | |
|---------------------------------|-------------|
| Buildings | 40 years |
| Equipment | 5 years |
| Utility system and improvements | 20-40 years |
| Infrastructure | 25-50 years |

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

Compensated Absences

Town employees are entitled to certain compensated absences based upon their length of service.

Sick and vacation leave is awarded on a calendar year basis and cannot be carried over to the next year; therefore, no liability for compensated absences is recorded in the financial statements.

Restricted Assets

Restricted assets include cash and interest-bearing deposits of the proprietary fund that are legally restricted as to their use. The restricted assets are related to utility meter deposits.

Deferred Outflows of Resources and Deferred Inflows of Resources

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

In addition to liabilities, the statement of net position and or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of

TOWN OF GUEYDAN, LOUISIANA

Notes to Basic Financial Statements

net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Equity Classifications

In the government-wide statements, net position is displayed in three components:

- a. Net investment in capital assets – Consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- b. Restricted net position – Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use, either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

In the fund statements, governmental fund equity is classified as fund balance as follows. Proprietary fund equity is classified the same as in the government-wide statements.

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the Board of Aldermen. The Board of Aldermen is the highest level of decision-making authority for the Town. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by board members.

Assigned – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Town's adopted policy, only board members may assign amounts for specific purposes.

TOWN OF GUEYDAN, LOUISIANA

Notes to Basic Financial Statements

Unassigned – all other spendable amounts.

Restricted fund balances are composed of the following:

| | Sales Tax Special Revenue | Capital Projects Fund | Nonmajor Funds | Total Governmental Funds |
|---------------------|---------------------------------|-----------------------------|-------------------|--------------------------------|
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Restricted: | | | | |
| Tax dedications | \$ 1,033,765 | \$ - | \$ - | \$ 1,033,765 |
| Capital projects | - | 376 | - | 376 |
| Other purposes | <u>-</u> | <u>-</u> | <u>168</u> | <u>168</u> |
| Total fund balances | <u>\$ 1,033,765</u> | <u>\$ 376</u> | <u>\$ 168</u> | <u>\$ 1,034,309</u> |

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless Board members or the finance committee has provided otherwise in its commitment or assignment actions.

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Expenditures/Expenses

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

In the fund financial statements, expenditures are classified as follows:

- Governmental Funds - By Character
- Proprietary Fund - By Operating and Non-operating

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

TOWN OF GUEYDAN, LOUISIANA

Notes to Basic Financial Statements

Interfund Transfers

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

F. Revenue Restrictions

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

| <u>Revenue Source</u> | <u>Legal Restrictions of Use</u> |
|-----------------------|----------------------------------|
| Sales tax | See Note 4 |

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

G. Use of Estimates

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

(2) Cash and Interest-Bearing Deposits

Under state law, the Town may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Town may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

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

TOWN OF GUEYDAN, LOUISIANA

Notes to Basic Financial Statements

Deposit balances (bank balances), are secured as follows:

| | |
|--|---------------------|
| Bank balances | <u>\$ 2,138,063</u> |
| Deposits are secured as follows: | |
| Insured Deposits | 580,039 |
| Uninsured and collateral held by the pledging bank, not in the Town's name | <u>1,558,024</u> |
| Total | <u>\$ 2,138,063</u> |

(3) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town on December 1 and are due by February 28. The Town bills and collects its own property taxes. Property tax revenues are recognized when levied to the extent that they result in current receivables.

(4) Dedication of Proceeds and Flow of Funds - 1 Percent Sales and Use Tax

A one percent sales and use tax levied by the Town is dedicated to the following purposes:

Fifty percent of the net proceeds can be used for constructing, acquiring, improving and maintaining the Town's natural gas, waterworks and sewer systems, or for any one or more of said purposes, including payment of principal and interest on any bonded or funded indebtedness of the Town incurred for any of said purposes; and the Town shall be further authorized to fund the proceeds of the tax into bonds from time to time for any one or more of the aforesaid purposes. Fifty percent of the net proceeds can be used for paying the cost of equipment purchases, liability and health insurance and the repair and maintenance of the Town's infrastructure.

TOWN OF GUEYDAN, LOUISIANA

Notes to Basic Financial Statements

(5) Receivables

Receivables consist of the following:

| | <u>General</u> | <u>Sales Tax</u> | <u>Utility</u> | <u>Total</u> |
|------------------|-----------------|------------------|------------------|-------------------|
| Accounts | \$ - | \$ - | \$148,914 | \$ 148,914 |
| Unbilled utility | - | - | 26,952 | 26,952 |
| Taxes | 4,363 | 44,577 | - | 48,940 |
| Interest | <u>33</u> | <u>415</u> | <u>-</u> | <u>448</u> |
| Totals | <u>\$ 4,396</u> | <u>\$44,992</u> | <u>\$175,866</u> | <u>\$ 225,254</u> |

(6) Restricted Assets - Proprietary Fund Type (Enterprise Utility Fund)

Restricted assets consisted of customers' deposits totaling \$33,131.

(7) On-behalf Payments

The Town has recognized \$17,183 as revenue and expenditure for on-behalf salary payments made by the State of Louisiana.

TOWN OF GUEYDAN, LOUISIANA

Notes to Basic Financial Statements

(8) Capital Assets

Capital asset activity for the year was as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balance</u> |
|--|------------------------------|-------------------|------------------|---------------------------|
| Governmental activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 26,950 | \$ - | \$ - | \$ 26,950 |
| Construction in progress | - | 412,126 | - | 412,126 |
| Other capital assets: | | | | |
| Buildings | 839,628 | - | - | 839,628 |
| Infrastructure | 12,518,474 | - | - | 12,518,474 |
| Equipment, furniture and fixtures | 1,089,104 | 112,506 | 38,939 | 1,162,671 |
| Improvements other than buildings | <u>1,176,990</u> | <u>15,732</u> | <u>-</u> | <u>1,192,722</u> |
| Totals | <u>15,651,146</u> | <u>540,364</u> | <u>38,939</u> | <u>16,152,571</u> |
| Less accumulated depreciation | | | | |
| Buildings | 411,355 | 23,690 | - | 435,045 |
| Infrastructure | 5,637,179 | 219,223 | - | 5,856,402 |
| Equipment, furniture and fixtures | 847,707 | 68,105 | 38,939 | 876,873 |
| Improvements other than buildings | <u>910,704</u> | <u>24,555</u> | <u>-</u> | <u>935,259</u> |
| Total accumulated depreciation | <u>7,806,945</u> | <u>335,573</u> | <u>38,939</u> | <u>8,103,579</u> |
| Governmental activities, capital assets, net | <u>\$7,844,201</u> | <u>\$ 204,791</u> | <u>\$ -</u> | <u>\$8,048,992</u> |
| Business-type activities: | | | | |
| Capital assets being depreciated | | | | |
| Electric system | \$1,397,513 | \$ 73,785 | \$ 2,353 | \$1,468,945 |
| Gas system | 1,550,303 | 2,369 | - | 1,552,672 |
| Water system | 3,619,420 | - | 3,303 | 3,616,117 |
| Sewer system | <u>3,610,654</u> | <u>398,592</u> | <u>4,304</u> | <u>4,004,942</u> |
| Totals | <u>10,177,890</u> | <u>474,746</u> | <u>9,960</u> | <u>10,642,676</u> |
| Less accumulated depreciation | | | | |
| Electric system | 1,392,525 | 5,458 | 2,353 | 1,395,630 |
| Gas system | 1,178,974 | 26,749 | - | 1,205,723 |
| Water system | 2,651,317 | 108,416 | 3,303 | 2,756,430 |
| Sewer system | <u>3,039,501</u> | <u>53,728</u> | <u>4,304</u> | <u>3,088,925</u> |
| Total accumulated depreciation | <u>8,262,317</u> | <u>194,351</u> | <u>9,960</u> | <u>8,446,708</u> |
| Business-type activities, capital assets, net | <u>\$1,915,573</u> | <u>\$ 280,395</u> | <u>\$ -</u> | <u>\$2,195,968</u> |

TOWN OF GUEYDAN, LOUISIANA

Notes to Basic Financial Statements

Depreciation expense was charged to governmental activities as follows:

| | |
|----------------------------|------------------|
| General government | \$ 40,422 |
| Public safety | 25,274 |
| Public works | <u>269,877</u> |
| Total depreciation expense | <u>\$335,573</u> |

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

| | |
|----------------------------|------------------|
| Electric | \$ 5,458 |
| Gas | 26,749 |
| Water | 108,417 |
| Sewer | <u>53,728</u> |
| Total depreciation expense | <u>\$194,352</u> |

(9) Accounts, Salaries, and Other Payables

The accounts, salaries, and other payables consisted of the following:

| | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
|-------------------|------------------------------------|-------------------------------------|-------------------|
| Accounts | \$ 248,889 | \$ 132,487 | \$ 381,376 |
| Other liabilities | <u>8,372</u> | <u>15,257</u> | <u>23,629</u> |
| Totals | <u>\$ 257,261</u> | <u>\$ 147,744</u> | <u>\$ 405,005</u> |

(10) Risk Management

The Town is exposed to risks of loss in the areas of health care, general and auto liability, property hazards, and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year. The government has had no settled claims resulting from these risks that exceeded its commercial coverage in any of the past three fiscal years.

(11) Commitments and Contingencies

At December 31, 2021, there is no pending litigation against the Town of Gueydan.

TOWN OF GUEYDAN, LOUISIANA

Notes to Basic Financial Statements

(12) Interfund Transfers

Transfers consisted of the following:

| | <u>Transfers In</u> | <u>Transfers Out</u> |
|--------------------------------|-------------------------|--------------------------|
| General Fund | \$ 764,834 | \$ - |
| Sales Tax Special Revenue Fund | - | 143,760 |
| Capital Projects Fund | <u>-</u> | <u>320,628</u> |
| Total major governmental funds | 764,834 | 464,388 |
| Enterprise Fund | <u>379,554</u> | <u>680,000</u> |
| Total | <u>\$ 1,144,388</u> | <u>\$ 1,144,388</u> |

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

**REQUIRED
SUPPLEMENTARY INFORMATION**

TOWN OF GUEYDAN, LOUISIANA
General Fund

Budgetary Comparison Schedule
Year Ended December 31, 2021

| | Budget | | Actual | Variance - |
|--|---------------------|-------------------|-------------------|----------------------------|
| | Original | Final | | Favorable (Unfavorable) |
| Revenues: | | | | |
| Taxes | \$ 20,000 | \$ 20,000 | \$ 21,448 | \$ 1,448 |
| Licenses and permits | 67,457 | 65,257 | 66,575 | 1,318 |
| Intergovernmental | 1,244,300 | 464,949 | 310,042 | (154,907) |
| Charges for services | 11,900 | 12,841 | 13,934 | 1,093 |
| Fines and forfeitures | 10,000 | 10,000 | 8,348 | (1,652) |
| Interest | 350 | 350 | 192 | (158) |
| Other | 15,688 | 26,932 | 56,139 | 29,207 |
| Total revenues | <u>1,369,695</u> | <u>600,329</u> | <u>476,678</u> | <u>(123,651)</u> |
| Expenditures: | | | | |
| Current - | | | | |
| General government | 239,336 | 274,466 | 294,755 | (20,289) |
| Public safety | 457,776 | 538,010 | 623,064 | (85,054) |
| Public works | 217,258 | 223,383 | 266,986 | (43,603) |
| Culture and recreation | 36,200 | 42,183 | 42,419 | (236) |
| Capital outlays | 1,160,103 | 68,447 | 56,860 | 11,587 |
| Total expenditures | <u>2,110,673</u> | <u>1,146,489</u> | <u>1,284,044</u> | <u>(137,555)</u> |
| Deficiency of revenues over expenditures | (740,978) | (546,160) | (807,366) | (261,206) |
| Other financing sources (uses): | | | | |
| Transfers in | <u>2,189,591</u> | <u>874,591</u> | <u>764,834</u> | <u>(109,757)</u> |
| Net change in fund balance | 1,448,613 | 328,431 | (42,532) | (370,963) |
| Fund balance, beginning | <u>145,827</u> | <u>145,827</u> | <u>145,827</u> | <u>-</u> |
| Fund balance, ending | <u>\$ 1,594,440</u> | <u>\$ 474,258</u> | <u>\$ 103,295</u> | <u>\$ (370,963)</u> |

TOWN OF GUEYDAN, LOUISIANA
Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
Year Ended December 31, 2021

| | Budget | | Actual | Variance - Favorable (Unfavorable) |
|---|---------------------|---------------------|---------------------|--|
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | \$ 200,000 | \$ 224,000 | \$ 223,318 | \$ (682) |
| Interest | <u>3,650</u> | <u>2,650</u> | <u>3,988</u> | <u>1,338</u> |
| Total revenue | <u>203,650</u> | <u>226,650</u> | <u>227,306</u> | <u>656</u> |
| Expenditures: | | | | |
| Current - | | | | |
| General government | - | 9,582 | 27,030 | (17,448) |
| Capital outlay | <u>-</u> | <u>260,000</u> | <u>406,716</u> | <u>(146,716)</u> |
| Total expenditures | <u>-</u> | <u>269,582</u> | <u>433,746</u> | <u>(164,164)</u> |
| Excess of revenues over expenditures | 203,650 | (42,932) | (206,440) | (163,508) |
| Other financing sources (uses): | | | | |
| Transfers out | <u>-</u> | <u>(106,470)</u> | <u>(143,760)</u> | <u>(37,290)</u> |
| Net change in fund balance | 203,650 | (149,402) | (350,200) | (200,798) |
| Fund balance, beginning | <u>1,383,965</u> | <u>1,383,965</u> | <u>1,383,965</u> | <u>-</u> |
| Fund balance, ending | <u>\$ 1,587,615</u> | <u>\$ 1,234,563</u> | <u>\$ 1,033,765</u> | <u>\$ (200,798)</u> |

TOWN OF GUEYDAN, LOUISIANA

Notes to Budgetary Comparison Schedule

(1) Budgets and Budgetary Accounting

The Town follows these procedures in establishing the budgetary data reflected in the financial statements.

- (a) The Town Clerk prepares a proposed operating budget for the fiscal year and submits it to the Mayor and Board of Aldermen not later than fifteen days prior to the beginning of each fiscal year.
- (b) A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- (c) A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
- (d) After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a resolution prior to the commencement of the fiscal year for which the budget is being adopted.
- (e) Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
- (f) All budgetary appropriations lapse at the end of each fiscal year.
- (g) Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Board of Aldermen.

At December 31, 2021, the General Fund and Sales Tax Special Revenue Fund reported excess expenditures over appropriations.

SUPPLEMENTARY INFORMATION

TOWN OF GUEYDAN, LOUISIANA

Schedules of Compensation
For the year ended December 31, 2021

A detail of compensation, benefits, and other payments paid to Mayor Jude Reese for the year ended was as follows:

| <u>Purpose</u> | <u>Amount</u> |
|----------------|------------------|
| Salary | <u>\$ 16,800</u> |

A detail of compensation paid to the Board of Aldermen for the year ended was as follows:

| | |
|-----------------|------------------|
| Anita Dupuis | 3,000 |
| John Laseter | 3,000 |
| Claudette Price | 3,000 |
| Jason Suire | 3,000 |
| Scott Vallo | 3,000 |
| | <u>\$ 15,000</u> |

TOWN OF GUEYDAN, LOUISIANA

Justice System Funding Schedule - Collecting/Disbursing Entity
 As Required by Act 87 of the 2020 Regular Legislative Session
 For the Year Ended December 31, 2021

| Cash Basis Presentation | Six Month Period Ended 6/30/2021 | Six Month Period Ended 12/31/2021 |
|---|-------------------------------------|--------------------------------------|
| Beginning Balance of Amounts Collected | | |
| Add: Collections | | |
| Civil Fees | 8,653 | 1,908 |
| Criminal Court Costs/Fees | 1,616 | 330 |
| Criminal Fines - Contempt | 200 | 150 |
| Service/Collection Fees | - | 138 |
| Subtotal Collections | 10,469 | 2,526 |
| Less: Disbursements To Governments & Nonprofits: | | |
| Acadiana Criminalistics Laboratory, Criminal Court Costs/Fees | 40 | 20 |
| DHH-Traumatic Head & Spinal Cord Trust, Criminal Court Costs/Fees | 130 | 15 |
| LA Comm on Law Enforcement, Criminal Court Costs/Fees | 102 | 22 |
| Judicial Administration CMIS, Criminal Court Costs/Fees | 51 | 11 |
| LA Judicial College Collection, Criminal Court Costs/Fees | 26 | 6 |
| Crime Victims Reparation Fund, Criminal Court Costs/Fees | 23 | 15 |
| Vermilion Parish Crime Stoppers, Criminal Court Costs/Fees | 84 | 2 |
| Subtotal Disbursements/Retainage | <u>455</u> | <u>91</u> |
| Total Amounts Collected but not Disbursed/Retained | <u>10,014</u> | <u>2,435</u> |
| Total "Partial Payments" Collected but not Disbursed | <u>10,014</u> | <u>2,435</u> |
| Other Information: | | |
| Total Amounts Assessed but not yet Collected | <u>-</u> | <u>-</u> |
| Total Waivers During the Fiscal Period | <u>-</u> | <u>-</u> |

OTHER INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR SPECIAL REVENUE FUNDS

To account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Police Department Narcotics Seizure Fund -

To account for the collection and disbursement of the Town's share of proceeds from drug related seizure sales.

TOWN OF GUEYDAN, LOUISIANA
Nonmajor Special Revenue Funds

Balance Sheet
December 31, 2021

Police
Department
Narcotics
Seizure Fund

ASSETS

Cash \$ 168

LIABILITIES AND FUND BALANCES

Liabilities \$ -

Fund balance:
Restricted 168

Total liabilities and fund balance \$ 168

TOWN OF GUEYDAN, LOUISIANA
Nonmajor Special Revenue Funds

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Year Ended December 31, 2021

| | <u>Police Department Narcotics Seizure Fund</u> |
|---|---|
| Revenues | \$ <u> -</u> |
| Expenditures: | |
| Current- | |
| General government | - |
| Culture and recreation | <u> -</u> |
| Total expenditures | <u> -</u> |
| Deficiency of revenues over expenditures | - |
| Fund balance, beginning | <u> 168</u> |
| Fund balance, ending | <u>\$ 168</u> |

TOWN OF GUEYDAN, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Departmental Analysis of Operating Revenues and Expenses
Years Ended December 31, 2021 and 2020

| | Electricity | | Gas | | Water | | Sewer | | Totals | |
|------------------------------------|-------------------|-------------------|------------------|------------------|--------------------|--------------------|--------------------|--------------------|-------------------|-------------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Operating revenues: | | | | | | | | | | |
| Charges for services | \$1,604,807 | \$1,317,136 | \$233,570 | \$178,016 | \$ 194,259 | \$ 168,694 | \$ 163,296 | \$ 135,644 | \$2,195,932 | \$1,799,490 |
| Other revenues | 18,201 | 9,414 | 2,649 | 1,272 | 2,203 | 1,206 | 1,852 | 969 | 24,905 | 12,861 |
| Total operating revenues | <u>1,623,008</u> | <u>1,326,550</u> | <u>236,219</u> | <u>179,288</u> | <u>196,462</u> | <u>169,900</u> | <u>165,148</u> | <u>136,613</u> | <u>2,220,837</u> | <u>1,812,351</u> |
| Operating expenses: | | | | | | | | | | |
| Salaries - plant | 101,972 | 85,433 | 3,609 | - | 38,932 | 37,951 | 47,748 | 39,203 | 192,261 | 162,587 |
| Fuel purchased | 866,980 | 616,968 | 114,890 | 53,902 | - | - | - | - | 981,870 | 670,870 |
| Insurance | 18,408 | 20,269 | 2,106 | 855 | 5,821 | 6,112 | 2,753 | 2,098 | 29,088 | 29,334 |
| Insurance - employees | 10,250 | 10,287 | - | - | 10,587 | 10,388 | 5,119 | 8,868 | 25,956 | 29,543 |
| Materials and supplies | 42,398 | 56,079 | 1,901 | 2,348 | 5,236 | 4,889 | 9,664 | 17,561 | 59,199 | 80,877 |
| Auditing and accounting | 3,160 | 3,533 | 3,160 | 3,533 | 3,160 | 3,534 | 4,659 | 3,533 | 14,139 | 14,133 |
| Printing, stationary, and supplies | 6,216 | 5,468 | - | - | - | - | - | - | 6,216 | 5,468 |
| Depreciation | 5,458 | 4,504 | 26,749 | 26,646 | 108,417 | 109,912 | 53,728 | 44,977 | 194,352 | 186,039 |
| Repairs and maintenance | 60,671 | 134,313 | 22,264 | 9,077 | 5,979 | 3,157 | 18,553 | 34,235 | 107,467 | 180,782 |
| Seminars and workshops | 550 | 11,537 | 233 | - | - | - | - | - | 783 | 11,537 |
| Utilities | 1,683 | 110 | 431 | 403 | 22,451 | 18,806 | 19,652 | 20,646 | 44,217 | 39,965 |
| Payroll taxes | 7,627 | 6,472 | 240 | - | 2,713 | 2,705 | 4,193 | 2,886 | 14,773 | 12,063 |
| Bad debt expense | (715) | (8,307) | (76) | 474 | (87) | 614 | (101) | 668 | (979) | (6,551) |
| Miscellaneous | 4,628 | 89,380 | 15,040 | 19,428 | 39,964 | 51,492 | 33,463 | 19,259 | 93,095 | 179,559 |
| Total operating expenses | <u>1,129,286</u> | <u>1,036,046</u> | <u>190,547</u> | <u>116,666</u> | <u>243,173</u> | <u>249,560</u> | <u>199,431</u> | <u>193,934</u> | <u>1,762,437</u> | <u>1,596,206</u> |
| Net operating income (loss) | <u>\$ 493,722</u> | <u>\$ 290,504</u> | <u>\$ 45,672</u> | <u>\$ 62,622</u> | <u>\$ (46,711)</u> | <u>\$ (79,660)</u> | <u>\$ (34,283)</u> | <u>\$ (57,321)</u> | <u>\$ 458,400</u> | <u>\$ 216,145</u> |

**INTERNAL CONTROL, COMPLIANCE,
AND
OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Matthew E. Margaglio, CPA*
Casey L. Ardoin, CPA, CFE*
Wanda F. Arcement, CPA
Bryan K. Joubert, CPA
Nicholas Fowlkes, CPA

C. Burton Kolder, CPA*
Of Counsel

Victor R. Slaven, CPA* - retired 2020
Christine C. Doucet, CPA – retired 2022

* A Professional Accounting Corporation

183 S. Beadle Rd. 11929 Bricksome Ave.
Lafayette, LA 70508 Baton Rouge, LA 70816
Phone (337) 232-4141 Phone (225) 293-8300

1428 Metro Dr. 450 E. Main St.
Alexandria, LA 71301 New Iberia, LA 70560
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr.
Abbeville, LA 70510 Morgan City, LA 70380
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 332 W. Sixth Ave.
Ville Platte, LA 70586 Oberlin, LA 70655
Phone (337) 363-2792 Phone (337) 639-4737

WWW.KCSRCPAS.COM

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

The Honorable Jude Reese, Mayor
and members of the Board of Aldermen
Town of Gueydan, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Gueydan, Louisiana, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town of Gueydan, Louisiana's basic financial statements and have issued our report thereon dated June 27, 2022.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, which are described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as items 2021-001 through 2021-004, which we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Gueydan's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of current and prior year findings and management's corrective action plan as item 2021-005.

Town of Gueydan's Response to Findings

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

Purpose of this Report

The purpose of this report is 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 Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
June 27, 2022

TOWN OF GUEYDAN, LOUISIANA
Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended December 31, 2021

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

A. Internal Control Over Financial Reporting

2021-001 Inadequate Segregation of Accounting Functions

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

CRITERIA: Committee of Sponsoring Organizations (COSO) *Internal Control –Integrated Framework* and the Louisiana Legislative Auditor's *Governmental Auditing Guide*

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

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

RECOMMENDATION: Management should evaluate the cost vs. benefit of complete segregation and whenever possible, reassign incompatible duties among different employees to ensure that a single employee does not have a control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recording keeping; and (4) reconciliation.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Town has determined that it is not cost effective to achieve complete segregation of duties within the accounting department. The Mayor and Town Clerk had implemented policies and procedures where the Mayor reviews and approves reports and reconciliations done by the employees in the accounting department.

TOWN OF GUEYDAN, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended December 31, 2021

2021-002 Application of Generally Accepted Accounting Principles (GAAP)

Fiscal year finding initially occurred: Unknown

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

CRITERIA: AU-C§265.A37 identifies the following as a deficiency in the design of (internal) controls:

“... in an entity that prepares financial statements in accordance with generally accepted accounting principles, the person responsible for the accounting and reporting function lacks the skills and knowledge to apply generally accepted accounting principles in recording the entity's financial transactions or preparing its financial statements.”

CAUSE: The cause of the condition is the result of a failure to design or implement policies and procedures necessary to achieve adequate internal control.

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

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

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Town has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the Town to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

TOWN OF GUEYDAN, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended December 31, 2021

2021-003 Financial Records/Reconciliations

CONDITION: The Town of Gueydan failed to reconcile interfund transactions and subsidiary ledgers on a monthly basis. Additionally, on certain occasions, the bank reconciliations were not adequately reconciled.

CRITERIA: Internal control is a process - effected by those charged with governance, management, and other personnel - designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The Town's internal controls over financial reporting include those policies and procedures that pertain to the Town's ability to record, process, summarize, and report financial data consistent with the assertions embodied in the financial statements.

CAUSE: The cause of the condition is failure to assign a Town employee with the task of reconciling the accounts mentioned above and the failure to review these reconciliations on a periodic basis.

EFFECT: Failure to reconcile the accounts mentioned above on a periodic basis increases the risk that account balances may not correspond between funds or be in balance. Additionally, unrecorded items may go undetected and the Town may not be able to determine actual cash balances, or if proper funding is available to pay vendors and/or monthly bills.

RECOMMENDATION: We recommend that the Town implement internal controls to ensure that these accounts are reconciled on a periodic basis. Additionally, we recommend that the Town properly train employees assigned to perform bank reconciliations, and review work performed on a monthly basis to determine that reconciliations are being performed correctly and in a timely manner.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Mayor and Town Clerk are seeking assistance with the preparation of these reconciliations so that accounting records will be reconciled correctly and timely.

TOWN OF GUEYDAN, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended December 31, 2021

2021-004 Inadequate Controls Over Inventory and Assets

CONDITION: The Town does not maintain a list of the inventory and assets of the Town or departments on a perpetual basis.

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

CAUSE: The Town does not have adequate controls or policies and procedures established to ascertain that inventory and assets are properly maintained and tracked.

EFFECT: Failure to have adequate controls over inventory and assets increases the risk that misappropriation of the inventory or assets could go undetected.

RECOMMENDATION: The Town should implement control procedures to ensure assets are properly monitored and annual inventory inspections reconcile to the Town's inventory listing.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Town is implementing control procedures immediately to ensure assets are properly monitored within each department and inventory inspections are performed at least annually.

B. Compliance

2021-005 Budget noncompliance

CONDITION: Expenditures of the General Fund exceeded the total budgeted expenditures by more than 5%, revenues of the Sales Tax Fund failed to meet the total budgeted revenues by more than 5% and expenditures of the Sales Tax Fund exceeded total budgeted expenditures by more than 5%.

CRITERIA: LSA-RS 39:1311 et seq, Budget Authority and Control, provides for the following:

“A. The adopted budget and any duly authorized adopted amendments shall form the framework from which the chief executive or administrative officers and members of the governing authority of the political subdivision shall monitor revenues and control expenditures. The chief executive or

TOWN OF GUEYDAN, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended December 31, 2021

administrative officer for a political subdivision subject to public participation shall advise the governing authority or independently elected official in writing when:

- (1) Total revenues and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more.
- (2) Total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more.
- (3) Actual beginning fund balance, within a fund, fails to meet estimated beginning fund balance by five percent or more and fund balance is being used to fund current year expenditures.”

CAUSE: The condition is a result of failure to properly monitor the revenues and expenditures of the General Fund and Sales Tax Fund

EFFECT: The Town may not prevent and/or detect compliance violations due to revenue shortfalls or over expenditure of the appropriated budget, and/or errors or irregularities on a timely basis.

RECOMMENDATION: The Town should periodically compare actual activity to budgeted amounts and adopt budgetary amendments as necessary to cause compliance with state statute.

MANAGEMENT'S CORRECTIVE ACTION PLAN: As a result of two major natural disasters, bills for services, repairs and equipment along with supplies that had to be purchased and repairs made, some invoices were not received before the amended budget was prepared causing the deficiency. The Sales Tax revenues were down due to Covid and the 2 disasters, as businesses had no utilities to operate.

TOWN OF GUEYDAN, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended December 31, 2021

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

2020-001 Inadequate Segregation of Accounting Functions

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

RECOMMENDATION: Management should evaluate the cost vs. benefit of complete segregation and whenever possible, reassign incompatible duties among different employees to ensure that a single employee does not have a control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recording keeping; and (4) reconciliation.

CURRENT STATUS: Unresolved. See item 2021-001.

2020-002 Application of Generally Accepted Accounting Principles (GAAP)

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

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

CURRENT STATUS: Unresolved. See item 2021-002.

2020-003 Financial Records/Reconciliations

CONDITION: The Town of Gueydan failed to reconcile interfund transactions, subsidiary ledgers and bank statements on a monthly basis. Additionally, on certain occasions, the bank reconciliations were not in agreement with general ledger balances.

RECOMMENDATION: We recommend that the Town implement internal controls to ensure that these accounts are reconciled on a periodic basis. Additionally, we recommend that the Town properly train employees assigned to perform bank reconciliations, and review work performed on a monthly basis to determine that reconciliations are being performed correctly and in a timely manner.

CURRENT STATUS: Unresolved. See item 2021-003.

TOWN OF GUEYDAN, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended December 31, 2021

2020-004 Inadequate Controls Over Inventory and Assets

CONDITION: The Town does not maintain a list of the inventory and assets of the Town or departments on a perpetual basis.

RECOMMENDATION: The Town should implement control procedures to ensure assets are properly monitored and annual inventory inspections reconcile to the Town's inventory listing.

CURRENT STATUS: Unresolved. See item 2021-004.

B. Compliance

2020-005 Budget noncompliance

CONDITION: Revenues of the Sales Tax Fund failed to meet total budgeted revenues and expenditures by more than 5%.

RECOMMENDATION: The Town should periodically compare actual activity to budgeted amounts and adopt budgetary amendments as necessary to cause compliance with state statute.

CURRENT STATUS: Unresolved. See 2021-005.

Town of Gueydan
Gueydan, Louisiana

Statewide Agreed-Upon Procedures

Fiscal period January 1, 2021 through December 31, 2021

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Brad E. Kolder, CPA, JD*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Stephen J. Anderson, CPA*
Matthew E. Margaglio, CPA*
Casey L. Ardoin, CPA, CFE*
Wanda F. Arcement, CPA
Bryan K. Joubert, CPA
Nicholas Fowlkes, CPA

C. Burton Kolder, CPA*
Of Counsel

Victor R. Slaven, CPA* - retired 2020
Christine C. Doucet, CPA – retired 2022

183 S. Beadle Rd. 11929 Bricksome Ave.
Lafayette, LA 70508 Baton Rouge, LA 70816
Phone (337) 232-4141 Phone (225) 293-8300

1428 Metro Dr. 450 E. Main St.
Alexandria, LA 71301 New Iberia, LA 70560
Phone (318) 442-4421 Phone (337) 367-9204

200 S. Main St. 1201 David Dr.
Abbeville, LA 70510 Morgan City, LA 70380
Phone (337) 893-7944 Phone (985) 384-2020

434 E. Main St. 332 W. Sixth Ave.
Ville Platte, LA 70586 Oberlin, LA 70655
Phone (337) 363-2792 Phone (337) 639-4737

WWW.KCSRCPAS.COM

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

The Honorable Jude Reese, Mayor,
and Members of the Board of Alderman
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2021 through December 31, 2021. Town of Gueydan's (the Town) management is responsible for those C/C areas identified in the SAUPs.

The Town has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving.
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employees(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) 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. *Alternatively, for those entities reporting on the non-profit 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.*
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) 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.

Collections (excluding EFTs)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies and procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. 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.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe 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).
- e) Trace the actual deposit per the bank statement to the general ledger.

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

- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); should not be reported.]
- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe 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.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

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

- 11. 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.
- 12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation and:
 - a) Observe 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) was 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]

- b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe 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.

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

14. 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:
- a) 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).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) 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).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

15. 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:
- a) 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.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) 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).
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

16. 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.
17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe 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 policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' cumulate 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.
19. 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.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
 - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. 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.

Debt Service

21. 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 bond/note issued.
22. 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).

Fraud Notice

23. 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.
24. 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.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."
 - a. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if 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.
 - b. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - c. Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 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.
27. 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).
28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:
 - a. Number and percentage of public servants in the agency who have completed the training requirements;
 - b. Number of sexual harassment complaints received by the agency;
 - c. Number of complaints which resulted in a finding that sexual harassment occurred;
 - d. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e. Amount of time it took to resolve each complaint.

Findings:

No exceptions were found as a result of procedures list above with the exception of:

Collections (excluding electronic funds transfers):

Employees responsible for cash collections is responsible for preparing/making bank deposits.

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

Employees responsible for processing payments may add/modify vendor files.

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

One credit card statement included interest fees.

Management's Response:

The Town of Gueydan concurs with the exceptions and is working to address the deficiencies identified.

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

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

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
June 27, 2022