

TOWN OF DELCAMBRE, LOUISIANA

Financial Report

Year Ended April 30, 2022

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INDEPENDENT AUDITOR'S REPORT

* A Professional Accounting Corporation

The Honorable Pam Blakely, Mayor,
and Members of the Board of Aldermen
Town of Delcambre, Louisiana

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 Delcambre (Town), Louisiana, as of and for the year ended April 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In 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, as of April 30, 2022, 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 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 these financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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'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'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 required supplementary information as listed in the table of contents, 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of compensation paid to board of aldermen, schedule of compensation, benefits, and other payments to agency head, and the justice system funding schedule – collecting/disbursing entity are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 schedule of compensation paid to board of aldermen, schedule of compensation, benefits, and other payments to agency head, and the justice system funding schedule – collecting/disbursing entity are fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedule of number of utility customers and rates, comparative statement of net position – proprietary funds, comparative departmental analysis of operating revenues and expenses – utility fund, and schedule of insurance in force 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 October 10, 2022, on our consideration of the Town'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'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's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
October 10, 2022

BASIC FINANCIAL STATEMENTS

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

TOWN OF DELCAMBRE, LOUISIANA

Statement of Net Position
April 30, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and interest-bearing deposits	\$ 1,083,581	\$ 639,649	\$ 1,723,230
Receivables, net	59,980	74,841	134,821
Prepaid expenses	10,450	3,240	13,690
Restricted assets -			
Cash and interest-bearing deposits	-	136,664	136,664
Capital assets -			
Non-depreciable	467,819	1,644,182	2,112,001
Depreciable, net of accumulated depreciation	<u>1,196,694</u>	<u>6,975,880</u>	<u>8,172,574</u>
Total assets	<u>2,818,524</u>	<u>9,474,456</u>	<u>12,292,980</u>
LIABILITIES			
Accounts and other payables	61,066	78,499	139,565
Compensated absences payable	3,054	1,184	4,238
Customers' deposits	-	111,152	111,152
Internal balances	(25,866)	25,866	-
Long-term liabilities -			
Portion due or payable within one year -			
Revenue bonds payable	5,184	30,632	35,816
Portion due or payable after one year -			
Revenue bonds payable	<u>44,283</u>	<u>1,923,616</u>	<u>1,967,899</u>
Total liabilities	<u>87,721</u>	<u>2,170,949</u>	<u>2,258,670</u>
NET POSITION			
Net investment in capital assets	1,615,046	6,665,814	8,280,860
Restricted for tax dedications	782,498	-	782,498
Restricted for debt service	-	25,512	25,512
Unrestricted	<u>333,259</u>	<u>612,181</u>	<u>945,440</u>
Total net position	<u>\$ 2,730,803</u>	<u>\$ 7,303,507</u>	<u>\$ 10,034,310</u>

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

TOWN OF DELCAMBRE, LOUISIANA

Statement of Activities
For the Year Ended April 30, 2022

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 154,009	\$ 190,809	\$ 380,485	\$ -	\$ 417,285	\$ -	\$ 417,285
Public safety:							
Police	438,209	43,154	25,818	-	(369,237)	-	(369,237)
Fire	132,817	43,468	-	-	(89,349)	-	(89,349)
Public works	306,791	45,941	-	-	(260,850)	-	(260,850)
Total governmental activities	<u>1,031,826</u>	<u>323,372</u>	<u>406,303</u>	<u>-</u>	<u>(302,151)</u>	<u>-</u>	<u>(302,151)</u>
Business-type activities:							
Gas	150,312	270,839	-	-	-	120,527	120,527
Water	303,485	336,296	-	-	-	32,811	32,811
Sewer	252,819	219,940	-	270,208	-	237,329	237,329
Administrative	71,537	17,214	-	-	-	(54,323)	(54,323)
Interest and fiscal charges	55,258	-	-	-	-	(55,258)	(55,258)
Total business-type activities	<u>833,411</u>	<u>844,289</u>	<u>-</u>	<u>270,208</u>	<u>-</u>	<u>281,086</u>	<u>281,086</u>
Total	<u>\$ 1,865,237</u>	<u>\$ 1,167,661</u>	<u>\$ 406,303</u>	<u>\$ 270,208</u>	<u>(302,151)</u>	<u>281,086</u>	<u>(21,065)</u>
General revenues:							
Taxes -							
Property taxes, levied for general purposes					46,715	-	46,715
Sales and use taxes, levied for general purposes					281,738	-	281,738
Other taxes					35,505	-	35,505
Interest income					2,179	1,991	4,170
Miscellaneous					164,804	4,839	169,643
Total general revenues					<u>530,941</u>	<u>6,830</u>	<u>537,771</u>
Change in net position					228,790	287,916	516,706
Net position - beginning					<u>2,502,013</u>	<u>7,015,591</u>	<u>9,517,604</u>
Net position - ending					<u>\$ 2,730,803</u>	<u>\$ 7,303,507</u>	<u>\$ 10,034,310</u>

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

FUND FINANCIAL STATEMENTS (FFS)

TOWN OF DELCAMBRE, LOUISIANA

Balance Sheet
Governmental Funds
April 30, 2022

	<u>General</u>	<u>Sales Tax</u>	<u>Special</u>	<u>Other Governmental Fund</u>	<u>Total</u>
ASSETS					
Cash	\$ 75,287	\$ 181,999	\$ 14,138	\$ 30,475	\$ 301,899
Interest-bearing deposits	342,129	338,366	101,187	-	781,682
Receivables:					
Sales tax	-	40,508	-	-	40,508
Other	3,495	12,325	3,652	-	19,472
Due from other funds	15,180	48,535	111,065	-	174,780
Prepaid expenses	9,999	451	-	-	10,450
Total assets	<u>\$ 446,090</u>	<u>\$ 622,184</u>	<u>\$ 230,042</u>	<u>\$ 30,475</u>	<u>\$ 1,328,791</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 23,300	\$ 18,213	\$ 4,517	\$ -	\$ 46,030
Accrued expenses	11,556	2,520	960	-	15,036
Due to other funds	75,372	72,622	920	-	148,914
Total liabilities	<u>110,228</u>	<u>93,355</u>	<u>6,397</u>	<u>-</u>	<u>209,980</u>
Fund balances:					
Nonspendable	9,999	451	-	-	10,450
Restricted	-	528,378	223,645	30,475	782,498
Unassigned	325,863	-	-	-	325,863
Total fund balances	<u>335,862</u>	<u>528,829</u>	<u>223,645</u>	<u>30,475</u>	<u>1,118,811</u>
Total liabilities and fund balances	<u>\$ 446,090</u>	<u>\$ 622,184</u>	<u>\$ 230,042</u>	<u>\$ 30,475</u>	<u>\$ 1,328,791</u>

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

TOWN OF DELCAMBRE, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
April 30, 2022

Total fund balances for governmental funds	\$ 1,118,811
Capital assets, net	1,664,513
Long-term liabilities:	
Debt payable	(49,467)
Compensated absences	<u>(3,054)</u>
Net position of governmental activities	<u>\$ 2,730,803</u>

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

TOWN OF DELCAMBRE, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances -
 Governmental Funds
 For the Year Ended April 30, 2022

	General	Sales Tax	Special	Other Governmental Funds	Total
Revenues:					
Taxes	\$ 46,715	\$ 281,738	\$ 35,505	\$ -	\$ 363,958
Licenses and permits	75,611	-	-	-	75,611
Intergovernmental	370,188	12,325	43,468	-	425,981
Charges for services	115,198	33,616	-	-	148,814
Fines and forfeiture	43,154	-	-	-	43,154
Interest	501	1,226	452	-	2,179
Other	193,449	-	7,470	-	200,919
Total revenues	<u>844,816</u>	<u>328,905</u>	<u>86,895</u>	<u>-</u>	<u>1,260,616</u>
Expenditures:					
Current -					
General government	100,605	24,067	-	-	124,672
Public safety	437,750	-	85,797	-	523,547
Public works	52,825	204,615	-	-	257,440
Capital outlays	27,519	24,604	5,800	-	57,923
Debt service	8,682	-	-	-	8,682
Total expenditures	<u>627,381</u>	<u>253,286</u>	<u>91,597</u>	<u>-</u>	<u>972,264</u>
Excess (deficiency) of revenues over expenditures	<u>217,435</u>	<u>75,619</u>	<u>(4,702)</u>	<u>-</u>	<u>288,352</u>
Other financing (sources) uses:					
Transfers in	75,000	-	-	-	75,000
Transfers out	-	(75,000)	-	-	(75,000)
Total other financing sources (uses)	<u>75,000</u>	<u>(75,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	292,435	619	(4,702)	-	288,352
Fund balances, beginning	<u>43,427</u>	<u>528,210</u>	<u>228,347</u>	<u>30,475</u>	<u>830,459</u>
Fund balances, ending	<u>\$ 335,862</u>	<u>\$ 528,829</u>	<u>\$ 223,645</u>	<u>\$ 30,475</u>	<u>\$1,118,811</u>

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

TOWN OF DELCAMBRE, 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 April 30, 2022

Net change in fund balances of governmental funds		\$ 288,352
Capital assets:		
Capital outlay	\$ 57,923	
Depreciation expense	<u>(122,591)</u>	(64,668)
Principal payments on long term debt		<u>5,106</u>
Change in net position of governmental activities		<u>\$ 228,790</u>

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

TOWN OF DELCAMBRE, LOUISIANA

Proprietary Fund
Statement of Net Position
April 30, 2022

ASSETS

Current assets:

Cash and interest bearing deposits	\$ 639,649
Accounts receivable, net of allowance	74,841
Due from other funds	77,988
Prepaid expenses	<u>3,240</u>
Total current assets	<u>795,718</u>

Noncurrent assets:

Restricted assets -	
Cash	101,753
Interest-bearing deposits	34,911
Capital assets -	
Non-depreciable	1,644,182
Depreciable, net of accumulated depreciation	<u>6,975,880</u>
Total noncurrent assets	<u>8,756,726</u>
Total assets	<u>9,552,444</u>

LIABILITIES

Current liabilities:

Accounts payable	22,890
Compensated absences payable	1,184
Other payables	5,358
Due to other governmental agencies	50,251
Revenue bonds payable	30,632
Due to other funds	<u>103,854</u>
Total current liabilities	214,169

Noncurrent liabilities:

Revenue bonds payable	1,923,616
Customers' deposits	<u>111,152</u>
Total liabilities	<u>2,248,937</u>

NET POSITION

Net investment in capital assets	6,665,814
Restricted	25,512
Unrestricted	<u>612,181</u>
Total net position	<u>\$ 7,303,507</u>

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

TOWN OF DECAMBRE, LOUISIANA

Proprietary Fund
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended April 30, 2022

Operating revenues:	
Charges for services	\$ 823,475
Miscellaneous	<u>20,814</u>
Total operating revenues	<u>844,289</u>
Operating expenses:	
Administrative expenses	71,537
Gas department expenses	106,132
Water department expenses	145,712
Sewerage department expenses	128,565
Depreciation	<u>326,207</u>
Total operating expenses	<u>778,153</u>
Operating income	<u>66,136</u>
Nonoperating revenues (expenses):	
Grant revenues	270,208
Interest income	1,991
Other	4,839
Interest expense	<u>(55,258)</u>
Total nonoperating revenues (expenses)	<u>221,780</u>
Change in net position	287,916
Net position, beginning	<u>7,015,591</u>
Net position, ending	<u>\$7,303,507</u>

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

TOWN OF DELCAMBRE, LOUISIANA

Statement of Cash Flows
 Proprietary Fund
 For the Year Ended April 30, 2022

Cash flows from operating activities:	
Receipts from customers	\$ 808,876
Payments to suppliers	(374,788)
Payments to employees	(118,413)
Other receipts	<u>20,814</u>
Net cash provided by operating activities	<u>336,489</u>
Cash flows from noncapital financing activities:	
Payable from other funds	(52,232)
Other income	<u>4,839</u>
Net cash used by noncapital financing activities	<u>(47,393)</u>
Cash flows from capital and related financing activities:	
Principal payment on bonds	(29,210)
Interest paid on bonds	(55,258)
Acquisition of property, plant and equipment	(460,312)
Grants and other contributions received	<u>477,857</u>
Net cash used by capital and related financing activities	<u>(66,923)</u>
Cash flows from investing activities:	
Proceeds of investments and interest-bearing deposits with maturity in excess of ninety days	244,911
Purchase of investments and interest-bearing deposits with maturity in excess of ninety days	(244,911)
Interest on investments	<u>1,991</u>
Net cash provided by investing activities	<u>1,991</u>
Net change in cash and cash equivalents	224,164
Cash and cash equivalents, beginning of period	<u>307,238</u>
Cash and cash equivalents, end of period	<u>\$ 531,402</u>

(continued)

TOWN OF DELCAMBRE, LOUISIANA

Statement of Cash Flows (continued)

Proprietary Fund

Year Ended April 30, 2022

Cash flows from operating activities:	
Operating income	\$ 66,136
Adjustments to reconcile operating income to net cash provided by operating activities -	
Depreciation	326,207
(Increase) decrease in operating assets:	
Accounts receivable	(20,962)
Prepaid expenses	(30)
Increase (decrease) in operating liabilities:	
Accounts payable	(39,266)
Accrued compensated absences	(1,798)
Customer deposits	6,363
Other payables	<u>(161)</u>
Net cash provided by operating activities	<u>\$ 336,489</u>
Cash and cash equivalents, beginning of period -	<u>\$ 307,238</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:	
Cash and cash equivalents, end of period -	
Cash and interest-bearing deposits - unrestricted	639,649
Cash and interest-bearing deposits - restricted	101,753
Interest-bearing deposits - restricted	34,911
Less: Interest-bearing deposits with a maturity in excess of 90 days	<u>(244,911)</u>
Total cash and cash equivalents	<u>531,402</u>
Net change	<u>\$ 224,164</u>

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

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Town of Delcambre (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 originally formed as a Village on November 27, 1907. On June 13, 1946, by issuance of the Governor's proclamation and under the provisions of the Lawrson Act, the Village of Delcambre, Louisiana, became the Town of Delcambre, Louisiana. 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 Delcambre 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 Delcambre, 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 nonexchange 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 DELCAMBRE, 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 Fund accounts for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for specific purposes.

The Special Fund accounts for the collection and disbursements of funds used for fire protection for the Town.

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

Proprietary Funds -

Proprietary funds are used to account for ongoing organizations and activities that are similar to those often found in the private sector. The measurement focus is based upon determination of net income, financial position, and cash flows.

Utility Fund

Enterprise funds are 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.

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 DELCAMBRE, 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, and liabilities 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. When not clearly identifiable with a function, interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

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

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

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.

Investments

Under state law the Town may deposit funds with a fiscal agent 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 United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

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 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. The Town has estimated that trade accounts receivable that have been unpaid for more than 90 days are uncollectible, and this amount has been established as the allowance for uncollectibles, based upon prior experience. The allowance for uncollectibles for customers’ utility receivables was \$40,181.

Property taxes are levied on October 1 on property values assessed on that date. Notices of tax liability are mailed on or about November 1 of the same year and are due and payable at that time. All unpaid taxes levied become delinquent January 1 of the following year. Property tax revenues are recognized when levied to the extent that they result in current receivables. Current receivables include those property tax receivables expected to be collected within sixty days after year end.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond the end of the Town’s fiscal year are recorded as prepaid items.

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

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 \$1,500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. 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	20-40 years
Improvements other than buildings	20-40 years
Autos and trucks	5-7 years
Other equipment	5-7 years
Gas system	20-40 years
Water system	10-40 years
Sewer system	20-40 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

All employees in the classified service shall receive one-half (1/2) day of sick leave for each calendar month of service up to a maximum of 21 days overall.

Vacation is earned by full-time employees based upon length of service ranging from 5 days to 20 days. One week of vacation time may be carried over from one anniversary year to the next. All accumulated sick leave shall be forfeited upon termination of employment.

For fund financial statements, earned vacation leave is reported as an expenditure and a current fund liability of the fund that will pay it. In the government-wide statements, amounts vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are recorded as a liability.

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

Restricted Assets

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

Long-term debt

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

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

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

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position 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 or fund balance that applies to a future period(s) and thus, 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 net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Equity Classifications

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

- 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.

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

Fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form (such as inventories and prepaid amounts) 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 spent only for specific purposes determined by a formal action of the government’s highest level of decision-making authority.

Assigned – amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.

Unassigned – all other spendable amounts

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

Fund balances are composed of the following:

	General Fund	Sales Tax Fund	Special Fund	Nonmajor Fund	Total Governmental Funds
Nonspendable:					
Prepaid items	\$ 9,999	\$ 451	\$ -	\$ -	\$ 10,450
Restricted:					
Fire protection	-	-	223,645	-	223,645
Public works and building operations and maintenance	-	528,378	-	-	528,378
Youth recreation	-	-	-	30,475	30,475
Unassigned	<u>325,863</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>325,863</u>
Total fund balances	<u>\$ 335,862</u>	<u>\$ 528,829</u>	<u>\$ 223,645</u>	<u>\$ 30,475</u>	<u>\$ 1,118,811</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 have 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 Nonoperating

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

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

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds 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 source includes a one percent sales and use tax levied by the Town which is dedicated to opening, constructing, paving, resurfacing and improving streets, sidewalks, bridges, drains, and drainage canals; constructing and purchasing street light facilities, fire and police department stations and equipment, garbage disposal and health and sanitation equipment and facilities, public buildings and recreational facilities and acquiring the necessary equipment and furnishings thereof; and paying for the costs of operating and maintaining public buildings, streets, bridges, drainage, lighting, facilities, and fire, police and health and sanitation departments.

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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. 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

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

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

Bank balances	<u>\$ 1,871,681</u>
The Town's deposits are secured as follows:	
Insured deposits	\$ 750,000
Uninsured and collateral held by the pledging bank, not in the Town's name	<u>1,111,561</u>
Total	<u>\$ 1,861,561</u>

(3) Aged Accounts Receivable

The aging of enterprise fund accounts receivable before allowance for doubtful accounts is as follows:

Current	\$ 59,054
Over 30 days	13,169
Over 60 days	2,618
Over 90 days	<u>40,181</u>
Total	<u>\$ 115,022</u>

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

Restricted assets consisted of:

Customer deposits	\$ 111,152
Revenue bonds contingency fund	7,082
Revenue bonds reserve fund	<u>18,430</u>
Total restrict assets	<u>\$ 136,664</u>

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

(5) Capital Assets

Capital asset activity was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 467,819	\$ -	\$ -	\$ 467,819
Other capital assets:				
Buildings	580,171	-	-	580,171
Improvements other than buildings	1,828,130	-	-	1,828,130
Autos and trucks	810,607	27,519	30,517	807,609
Other equipment	471,109	30,404	8,441	493,072
Totals	<u>4,157,836</u>	<u>57,923</u>	<u>38,958</u>	<u>4,176,801</u>
Less accumulated depreciation				
Buildings	387,704	17,508	-	405,212
Improvements other than buildings	870,910	52,051	-	922,961
Autos and trucks	776,746	34,320	30,517	780,549
Other equipment	393,295	18,712	8,441	403,566
Total accumulated depreciation	<u>2,428,655</u>	<u>122,591</u>	<u>38,958</u>	<u>2,512,288</u>
Governmental activities, capital assets, net	<u>\$ 1,729,181</u>	<u>\$ (64,668)</u>	<u>\$ -</u>	<u>\$ 1,664,513</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 1,644,182	\$ -	\$ -	\$ 1,644,182
Construction in progress	3,574,704	-	3,574,704	-
Other capital assets:				
Gas system	1,945,692	-	-	1,945,692
Water system	3,316,344	3,647,621	-	6,963,965
Sewer system	3,306,407	209,744	-	3,516,151
Other equipment	128,957	19,679	-	148,636
Totals	<u>13,916,286</u>	<u>3,877,044</u>	<u>3,574,704</u>	<u>14,218,626</u>
Less accumulated depreciation				
Gas system	1,225,003	44,180	-	1,269,183
Water system	2,021,360	150,246	-	2,171,606
Sewer system	1,920,030	124,254	-	2,044,284
Other equipment	105,964	7,527	-	113,491
Total accumulated depreciation	<u>5,272,357</u>	<u>326,207</u>	<u>-</u>	<u>5,598,564</u>
Business-type activities, capital assets, net	<u>\$ 8,643,929</u>	<u>\$ 3,550,837</u>	<u>\$3,574,704</u>	<u>\$ 8,620,062</u>

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

Depreciation expense was charged to governmental activities as follows:

General government	\$ 25,761
Public safety	47,479
Public works	<u>49,351</u>
Total depreciation expense	<u>\$122,591</u>

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

Gas	\$ 44,180
Water	150,246
Sewer	124,254
Other equipment	<u>7,527</u>
Total depreciation expense	<u>\$ 326,207</u>

(6) On-behalf Payments

The Town has recognized \$25,818 as a revenue and an expenditure for on-behalf salary payments made by the State of Louisiana.

(7) Changes in Long-Term Debt

Long term liabilities at April 30, 2022 are comprised of the following individual issues:

Governmental activities –

Direct borrowing bonds payable:

Bonds payable to USDA Rural Development, dated May 18, 2005, original amount of \$110,000, bearing interest of 4.25%, maturing on May 18, 2030.	<u>\$ 49,467</u>
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TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

Business-type activities –

Direct borrowing revenue bond payable:

\$1,722,000 Water revenue Bonds, Series 2020, issued May 16, 2019, due in monthly installments of \$6,010 over forty years through 2059; interest at 2.75% \$ 1,671,143

\$291,000 Water revenue Bonds, Series 2020, issued May 16, 2019, due in monthly installments of \$1,077 over forty years through 2059; interest at 3.125% \$ 283,105

The annual requirement to amortize all debt outstanding is as follows:

Year Ending April 30,	Governmental Activities		Business-type Activities		Total
	Principal payments	Interest payments	Principal payments	Interest payments	
2023	5,327	2,143	30,632	54,412	92,514
2024	5,557	1,918	31,501	53,543	92,519
2025	5,799	1,684	32,394	52,650	92,527
2026	6,049	1,439	33,314	51,730	92,532
2027	6,312	1,183	34,259	50,785	92,539
2028 to 2032	20,423	2,002	186,442	238,778	447,645
2033 to 2037	-	-	214,447	210,773	425,220
2038 to 2042	-	-	246,671	178,549	425,220
2043 to 2047	-	-	283,747	141,473	425,220
2048 to 2052	-	-	326,412	98,808	425,220
2053 to 2057	-	-	375,508	49,712	425,220
2058 to 2059	-	-	158,921	4,501	163,422
Totals	<u>\$ 49,467</u>	<u>\$ 10,369</u>	<u>\$ 1,954,248</u>	<u>\$ 1,185,714</u>	<u>\$ 3,199,798</u>

In the event that the above water revenue bonds are in default, the bonding agency has the right to compel the performance of all duties, including the fixing, charging, and collecting of rentals, fees or other charges for the use of the System. The Bond owner may also appoint an agent to take possession of the System to hold, operate, maintain, manage and control the System in the name of the bond owner. This agent shall collect and receive all fees, rentals, and other revenues, maintain and operate the System in a manner to compensate the bond issuer for the amount owed, until the bond is repaid in full. The other bonds contain no monetary default provisions.

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

The following is a summary of changes in long-term debt of the Town:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable -					
USDA Rural Development					
Series 2005	\$ 54,573	\$ -	\$ 5,106	\$ 49,467	\$ 5,184
Business-type activities:					
Water Revenue Bonds					
Series 2020	\$1,696,920	\$ -	\$ 25,777	\$1,671,143	\$ 26,496
Water Revenue Bonds					
Series 2020	\$ 287,114	\$ -	\$ 4,009	\$ 283,105	\$ 4,136

(8) Commitments and Contingencies

Litigation

The Town is subject to various lawsuits and claims, many of which arise in the normal course of business. Although their outcome is not presently determinable, it is the opinion of legal counsel that resolution of these matters will not have a material effect on the financial condition of the Town.

(9) 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. The Town has had no settled claims resulting from these risks that exceeded its commercial coverage in any of the past three fiscal years.

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

(10) Interfund Transactions

A. A summary of interfund receivables and payables follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental funds:		
General Fund	\$ 15,180	\$ 75,372
Sales Tax Special Revenue Fund	48,535	72,622
Special Fund	<u>111,065</u>	<u>920</u>
Total governmental funds	174,780	148,914
Proprietary fund:		
Enterprise Fund	<u>77,988</u>	<u>103,854</u>
Total	<u>\$ 252,768</u>	<u>\$ 252,768</u>

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

B. Transfers consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental funds:		
General Fund	\$ 75,000	\$ -
Sales Tax Special Revenue Fund	<u>-</u>	<u>75,000</u>
Total governmental funds	<u>75,000</u>	<u>75,000</u>

**REQUIRED
SUPPLEMENTARY INFORMATION**

TOWN OF DELCAMBRE, LOUISIANA
General Fund

Budgetary Comparison Schedule
Year Ended April 30, 2022

	Budget		Actual	Variance -
	Original	Final		Positive (Negative)
Revenues:				
Taxes	\$ 42,800	\$ 42,000	\$ 46,715	\$ 4,715
Licenses and permits	81,400	81,400	75,611	(5,789)
Intergovernmental	11,400	353,400	370,188	16,788
Charges for services	61,000	81,800	115,198	33,398
Fines and forfeitures	20,700	31,400	43,154	11,754
Interest	100	200	501	301
Other	<u>173,300</u>	<u>157,225</u>	<u>193,449</u>	<u>36,224</u>
Total revenues	<u>390,700</u>	<u>747,425</u>	<u>844,816</u>	<u>97,391</u>
Expenditures:				
Current -				
General government	121,550	101,000	100,605	395
Public safety	351,000	347,200	437,750	(90,550)
Public works	34,700	51,200	52,825	(1,625)
Capital outlays	7,400	37,400	27,519	9,881
Debt service	<u>8,700</u>	<u>8,300</u>	<u>8,682</u>	<u>(382)</u>
Total expenditures	<u>523,350</u>	<u>545,100</u>	<u>627,381</u>	<u>(82,281)</u>
(Deficiency) excess of revenues over expenditures	(132,650)	202,325	217,435	15,110
Other financing sources:				
Transfers in	<u>140,000</u>	<u>140,000</u>	<u>75,000</u>	<u>(65,000)</u>
Net change in fund balance	7,350	342,325	292,435	(49,890)
Fund balance, beginning	<u>43,427</u>	<u>43,427</u>	<u>43,427</u>	<u>-</u>
Fund balance, ending	<u>\$ 50,777</u>	<u>\$ 385,752</u>	<u>\$ 335,862</u>	<u>\$ (49,890)</u>

TOWN OF DELCAMBRE, LOUISIANA
Sales Tax Fund

Budgetary Comparison Schedule
Year Ended April 30, 2022

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 271,100	\$ 298,600	\$ 281,738	\$ (16,862)
Intergovernmental	10,400	10,400	12,325	1,925
Charges for services	33,600	33,600	33,616	16
Interest	4,100	200	1,226	1,026
Other	7,300	-	-	-
Total revenues	<u>326,500</u>	<u>342,800</u>	<u>328,905</u>	<u>(13,895)</u>
Expenditures:				
Current -				
General government	900	35,300	24,067	11,233
Public works	279,850	195,900	204,615	(8,715)
Capital outlay	-	36,600	24,604	11,996
Total expenditures	<u>280,750</u>	<u>267,800</u>	<u>253,286</u>	<u>14,514</u>
Excess of revenues over expenditures	45,750	75,000	75,619	619
Other financing uses:				
Transfers out	-	-	(75,000)	(75,000)
Net change in fund balance	45,750	75,000	619	(74,381)
Fund balance, beginning	<u>528,210</u>	<u>528,210</u>	<u>528,210</u>	<u>-</u>
Fund balance, ending	<u>\$ 573,960</u>	<u>\$ 603,210</u>	<u>\$ 528,829</u>	<u>\$ (74,381)</u>

TOWN OF DELCAMBRE, LOUISIANA
Special Fund

Budgetary Comparison Schedule
Year Ended April 30, 2022

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 37,400	\$ 42,800	\$ 35,505	\$ (7,295)
Intergovernmental	44,900	36,400	43,468	7,068
Interest	1,400	650	452	(198)
Other	<u>2,500</u>	<u>8,150</u>	<u>7,470</u>	<u>(680)</u>
Total revenue	<u>86,200</u>	<u>88,000</u>	<u>86,895</u>	<u>(1,105)</u>
Expenditures:				
Current -				
Public safety	86,200	88,000	85,797	2,203
Capital outlay	<u>-</u>	<u>-</u>	<u>5,800</u>	<u>(5,800)</u>
Total expenditures	<u>86,200</u>	<u>88,000</u>	<u>91,597</u>	<u>(3,597)</u>
Deficiency of revenues over over expenditures	<u>-</u>	<u>-</u>	<u>(4,702)</u>	<u>(4,702)</u>
Fund balance, beginning	<u>228,347</u>	<u>228,347</u>	<u>228,347</u>	<u>-</u>
Fund balance, ending	<u>\$ 228,347</u>	<u>\$ 228,347</u>	<u>\$ 223,645</u>	<u>\$ (4,702)</u>

TOWN OF DELCAMBRE, LOUISIANA

Notes to Budgetary Comparison Schedules

(1) Budgets and Budgetary Accounting

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

1. 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.
2. 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.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a resolution prior to the commencement of the fiscal year for which the budget is being adopted.
5. 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.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. 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.

SUPPLEMENTARY INFORMATION

TOWN OF DELCAMBRE, LOUISIANA
Schedules of Compensation

Year Ended April 30, 2022

Schedule of Compensation, Benefits, and Other Payments to
Agency Head: Pam Blakely, Mayor

Purpose	Amount
Salary	\$ 3,300
Other - cell phone	<u>600</u>
Total	<u>\$ 3,900</u>

Schedule of Compensation to Town Aldermen

Bryan Glatter	107 N. Railroad, Delcambre, LA 70528	January 2021 - December 2024	\$ -
Sarah Trahan	107 N. Railroad, Delcambre, LA 70528	January 2021 - December 2024	1,188
Steve Broussard	107 N. Railroad, Delcambre, LA 70528	January 2021 - December 2024	1,188
Garrett Frederick	107 N. Railroad, Delcambre, LA 70528	January 2021 - December 2024	1,188
Christopher Esponge	107 N. Railroad, Delcambre, LA 70528	January 2021 - December 2024	<u>1,188</u>
			<u>\$4,752</u>

TOWN OF DELCAMBRE, LOUISIANA
Justice System Funding Schedule

Collecting/Disbursing Entity
Year Ended April 30, 2022

	First Six Month Period Ended 10/31/2021	Second Six Month Period Ended 4/30/2022
Cash Basis Presentation		
Beginning Balance of Amounts Collected (i.e. cash on hand)	2,927	-
Add: Collections		
Civil Fees	-	-
Bond Fees	-	-
Asset Forfeiture/Sale	-	-
Pre-Trial Diversion Program Fees	-	-
Criminal Court Costs/Fees	6,276	17,164
Criminal Fines - Contempt	-	-
Criminal Fines - Other	22,769	66,991
Restitution	-	-
Probation/Parole/Supervision Fees	-	-
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party services)	-	-
Interest Earnings on Collected Balances	-	-
Other	-	-
Subtotal Collections	29,045	84,155
Less: Disbursements To Governments & Nonprofits:		
<i>Indigent Fund</i>	908	2,933
<i>Louisiana Law Enforcement</i>	242	782
<i>Louisiana Supreme Court - Criminal Fines</i>	60	195
<i>CMIS</i>	121	391
<i>Acadiana Criminalistics Lab</i>	1,210	3,910
<i>LA Dept of Health & Hospitals THI/SCI - Criminal Fines</i>	530	909
<i>Crime Stoppers of Vermillion</i>	242	770
Less: Amounts Retained by Collecting Agency		
Amounts "Self-Disbursed" to Collecting Agency		
Town of Delcambre - Fines	28,659	74,265
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Civil Fee Refunds	-	-
Bond Fee Refunds	-	-
Restitution Payments to Individuals	-	-
Other Disbursements to Individuals	-	-
Payments to 3rd Party Collection/Processing Agencies	-	-
Subtotal Disbursements/Retainage	31,972	84,155
Total: Ending Balance of Amounts Collected but not Disbursed/Retained	-	-
Ending Balance of "Partial Payments" Collected but not Disbursed	-	-
Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected	668	4,246

OTHER INFORMATION

TOWN OF DELCAMBRE, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers and Rates

April 30, 2022 and 2021

Records maintained by the Town indicated the following number of customers were being serviced during the month of April 30, 2022 and 2021:

<u>Department</u>	<u>2022</u>	<u>2021</u>
Gas	332	332
Water	840	845
Sewerage	784	780

The monthly water rates of the Town are as follows:

Residential:

\$22.50 per month for the first 3,000 gallons or less, then
\$5.00 per 1,000 gallons or part thereof for all over 3,000 gallons.

Commercial

\$25.00 per month for the first 3,000 gallons or less, then
\$5.20 per 1,000 gallons or part thereof for all over 3,000 gallons.

The monthly sewer rates of the Town are as follows:

Residential:	\$22.50
Commercial	\$25.27 - \$211.91

TOWN OF DELCAMBRE, LOUISIANA

Proprietary Fund
 Comparative Statement of Net Position
 April 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Current assets:		
Cash and interest bearing deposits	\$ 639,649	\$ 447,360
Accounts receivable, net of allowance	74,841	53,879
Due from other funds	77,988	74,364
Prepaid expenses	3,240	3,210
Due from other governmental agencies	-	157,398
Total current assets	<u>795,718</u>	<u>736,211</u>
Noncurrent assets:		
Restricted assets -		
Cash	101,753	69,878
Interest-bearing deposits	34,911	34,911
Capital assets -		
Non-depreciable	1,644,182	5,218,886
Depreciable, net of accumulated depreciation	<u>6,975,880</u>	<u>3,425,044</u>
Total noncurrent assets	<u>8,756,726</u>	<u>8,748,719</u>
Total assets	<u>9,552,444</u>	<u>9,484,930</u>
LIABILITIES		
Current liabilities:		
Accounts payable	22,890	62,156
Compensated absences payable	1,184	2,982
Other payables	5,358	5,519
Revenue bonds payable	30,632	29,787
Due to other governmental agencies	50,251	-
Retainage payable	-	157,397
Due to other funds	<u>103,854</u>	<u>152,462</u>
Total current liabilities	<u>214,169</u>	<u>410,303</u>
Noncurrent liabilities:		
Water revenue bonds payable	1,923,616	1,954,247
Customers' deposits	<u>111,152</u>	<u>104,789</u>
Total noncurrent liabilities	<u>2,034,768</u>	<u>2,059,036</u>
Total liabilities	<u>2,248,937</u>	<u>2,469,339</u>
NET POSITION		
Net investment in capital assets	6,665,814	6,502,499
Restricted	25,512	-
Unrestricted	<u>612,181</u>	<u>513,092</u>
Total net position	<u>\$7,303,507</u>	<u>\$7,015,591</u>

TOWN OF DELCAMBRE, LOUISIANA
Proprietary Fund
Utility Fund

Comparative Departmental Analysis of Operating Revenues and Expenses
Years Ended April 30, 2022 and 2021

	Administrative		Gas		Water		Sewer		Totals	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Operating revenues:										
Charges for services	\$ -	\$ -	\$ 269,664	\$ 163,905	\$ 333,871	\$ 249,196	\$ 219,940	\$ 220,461	\$ 823,475	\$ 633,562
Other revenues	17,214	13,954	1,175	995	2,425	2,025	-	-	20,814	16,974
Total operating revenues	17,214	13,954	270,839	164,900	336,296	251,221	219,940	220,461	844,289	650,536
Operating expenses:										
Salaries	55,802	50,986	12,844	27,881	23,985	28,084	23,984	28,004	116,615	134,955
Fuel purchased	-	-	46,255	34,474	-	-	-	-	46,255	34,474
Insurance	2,746	100	3,786	11,151	10,250	23,619	8,388	8,790	25,170	43,660
Insurance - employees	3,121	1,551	6,051	10,352	6,093	10,739	-	9,613	15,265	32,255
Materials and supplies	-	-	20,316	15,206	13,779	14,385	7,223	13,803	41,318	43,394
Depreciation	-	-	44,180	46,386	157,773	91,873	124,254	108,112	326,207	246,371
Repairs and maintenance	-	-	19	6,468	28,428	23,324	36,659	71,638	65,106	101,430
Professional fees	2,745	6,455	10,953	31,025	33,780	21,949	11,039	17,965	58,517	77,394
Utilities	-	-	-	-	25,351	24,874	33,446	39,882	58,797	64,756
Payroll taxes	3,462	3,573	1,455	2,096	2,354	2,180	2,352	2,178	9,623	10,027
Bad debt expense	2,004	3,066	-	-	-	-	-	-	2,004	3,066
Miscellaneous	1,657	2,402	4,453	15,809	1,692	1,490	5,474	2,925	13,276	22,626
Total operating expenses	71,537	68,133	150,312	200,848	303,485	242,517	252,819	302,910	778,153	814,408
Net operating income/(loss)	<u>\$ (54,323)</u>	<u>\$ (54,179)</u>	<u>\$ 120,527</u>	<u>\$ (35,948)</u>	<u>\$ 32,811</u>	<u>\$ 8,704</u>	<u>\$ (32,879)</u>	<u>\$ (82,449)</u>	<u>\$ 66,136</u>	<u>\$ (163,872)</u>

TOWN OF DELCAMBRE, LOUISIANA

Schedule of Insurance in Force

Year Ended April 30, 2022

Insurer	Assets Covered	Risks Covered	Limits of Coverage (in Dollars)	Expiration Date
Louisiana Municipal Risk Management Association	Automobiles	Bodily injury, Property damage	500,000	5/1/2022
	Police operations	General liability	500,000	5/1/2022
	Errors and omissions	General liability	500,000	5/1/2022
	General liability	Bodily injury, Property damage	500,000	5/1/2022
Wright National Flood	Town Hall: Building	Flood damage	250,000	2/18/2023
	Contents	Flood damage	100,000	2/18/2023
Thompson Smith & Leach	Property	General liability	Various	6/1/2022
	Equipment	General liability	Various	6/1/2022
	Crime	General liability	250,000	7/20/2022
CNA Insurance	Mayor	Dishonesty Bond	10,000	9/21/2022
	Other officials	Dishonesty Bond	5,000	9/21/2022
	Police Clerk	Dishonesty Bond	10,000	9/21/2022
	Bookkeeper	Dishonesty Bond	10,000	9/21/2022
	Tax Collector	Dishonesty Bond	10,000	9/21/2022
	City Clerk	Dishonesty Bond	10,000	9/21/2022

**INTERNAL CONTROL, COMPLIANCE
AND
OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

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

The Honorable Pam Blakely, Mayor
and members of the Board of Aldermen
Town of Delcambre, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Delcambre (Town), as of and for the year ended April 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated October 10, 2022.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as item 2022-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as item 2022-002.

Town of Delcambre's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on 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 the response.

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. 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
October 10, 2022

TOWN OF DELCAMBRE, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended April 30, 2022

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

A. Internal Control Over Financial Reporting

2022-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

CONDITION: The Town of Delcambre did not have adequate segregation of functions within the cash receipts processing, primarily in the Police Department.

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

CAUSE: 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 may occur and not be prevented or detected.

RECOMMENDATION: The Town should evaluate the cost benefit of hiring the additional staff necessary to achieve complete segregation of accounting functions. If the Town determines that it is not cost effective to hire additional staff, it should adopt and implement procedures which create a system of compensating controls to mitigate the risks.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Town of Delcambre concurs with the audit finding. Due to the size of staffing, the achievement of adequate segregation of duties is desirable, but is cost prohibitive. All efforts are given to segregate duties where feasible. In an effort to establish more sound internal controls, with the Board of Alderman's approval, the Town purchased the ticket collection module of the CSDC software and has begun implementation in the current year. The Board of Aldermen, along with the Town's CPA, monitor activity and balances in all fund accounts.

B. Compliance

2022-002 Budget noncompliance

Fiscal year finding initially occurred: 2022

CONDITION: The Town's general fund incurred negative budget variances in excess of 5%, primarily in the public safety function and may not be in compliance with the Louisiana Budget Act.

TOWN OF DELCAMBRE, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended April 30, 2022

CRITERIA: R.S 39:1311 et seq, requires that the Town amend the budget when total expenditures plus projected expenditures exceed budgeted expenditures by more than 5%.

CAUSE: The Town amended their budget for the general fund in accordance with state law however expenditures incurred near year end were greater than anticipated.

EFFECT: The Town may be in violation of R.S. 39:1311.

RECOMMENDATION: The Town should continue to monitor its budget and make amendments as necessary throughout the year.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Town will monitor spending activity throughout the year and make budget amendments as necessary.

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

2021-001 Inadequate Segregation of Accounting Functions

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

RECOMMENDATION: The Town should evaluate the cost benefit of hiring the additional staff necessary to achieve complete segregation of accounting functions. If the Town determines that it is not cost effective to hire additional staff, it should adopt and implement procedures which create a system of checks and balances using current employees and board members who are not part of the accounting function.

CURRENT STATUS: Unresolved. See item 2022-001.

B. Compliance

None reported.

Town of Delcambre
Delcambre, Louisiana

Statewide Agreed-Upon Procedures

Fiscal period May 1, 2021 through April 30, 2022

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

The Honorable Pamela Blakely, Mayor
And Members of the City Council
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period May 1, 2021 through April 30, 2022. Town of Delcambre (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 May 1, 2021 through April 30, 2022. 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:

Policies and Procedures:

The Town does not have written policies and procedures addressing: Periodic testing/verification that backups can be restored, use of antivirus software on all systems, timely application of all available system and software patches/updates, identification of personnel, processes, and tools needed to recover operations after a critical event.

Board or Finance Committee:

The Board did not meet with a quorum for the month of January.

Ethics:

Three of the five employees had not completed an ethics course during the fiscal year.

Sexual Harassment:

The employees tested did not take a sexual harassment course during the fiscal year, nor was a report provided.

Management's Response:

Management of the Town 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