

TOWN OF ARNAUDVILLE, LOUISIANA

Financial Report

Year Ended June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

* A Professional Accounting Corporation

The Honorable Todd Meche, Mayor
and Members of the Board of Aldermen
Town of Arnaudville, 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 Arnaudville, Louisiana (Town), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Arnaudville, Louisiana, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility 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. We 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. We 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. We 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. We 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 budgetary comparison information, schedule of employer's share of net pension liability and schedule of employer contributions on pages 44 through 48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

The Town of Arnaudville 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 of Arnaudville, Louisiana's basic financial statements. The other supplementary information on pages 51 through 64 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The combined and comparative statements and the Justice System Funding Schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these combined and comparative statements and the Justice System Funding Schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The prior year comparative information on these statements has been derived from the Town of Arnaudville's 2022 financial statements, which was 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 and, in our opinion, was fairly presented, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2022, on our consideration of the Town of Arnaudville, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Arnaudville, Louisiana's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
September 6, 2023

BASIC FINANCIAL STATEMENTS

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

TOWN OF ARNAUDVILLE

Statement of Net Position
June 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and interest-bearing demand deposits	\$ 1,756,576	\$ 566,644	\$ 2,323,220
Interest-bearing time deposits	517,837	1,045,462	1,563,299
Receivables, net	15,063	123,369	138,432
Internal balances	43,023	(43,023)	-
Due from other governmental units	80,867	-	80,867
Prepaid items	24,852	30,007	54,859
Total current assets	<u>2,438,218</u>	<u>1,722,459</u>	<u>4,160,677</u>
Noncurrent assets:			
Restricted assets:			
Cash and interest-bearing demand deposits	-	66,842	66,842
Capital assets, net	2,349,579	4,501,606	6,851,185
Total noncurrent assets	<u>2,349,579</u>	<u>4,568,448</u>	<u>6,918,027</u>
Total assets	<u>4,787,797</u>	<u>6,290,907</u>	<u>11,078,704</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>320,009</u>	<u>183,943</u>	<u>503,952</u>
LIABILITIES			
Current liabilities:			
Accounts and other payables	91,537	113,230	204,767
Unearned revenue	64,828	-	64,828
Customers deposits payable	-	66,842	66,842
Total current liabilities	<u>156,365</u>	<u>180,072</u>	<u>336,437</u>
Noncurrent liabilities:			
Compensated absences	15,634	13,157	28,791
Net pension liability	707,995	551,489	1,259,484
Total noncurrent liabilities	<u>723,629</u>	<u>564,646</u>	<u>1,288,275</u>
Total liabilities	<u>879,994</u>	<u>744,718</u>	<u>1,624,712</u>
DEFERRED INFLOWS OF RESOURCES	<u>22,324</u>	<u>7,491</u>	<u>29,815</u>
NET POSITION			
Net investment in capital assets	2,349,579	4,410,606	6,760,185
Restricted for sales tax dedications	1,442,919	-	1,442,919
Unrestricted	412,990	1,312,035	1,725,025
Total net position	<u>\$ 4,205,488</u>	<u>\$ 5,722,641</u>	<u>\$ 9,928,129</u>

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

TOWN OF ARNAUDVILLE

Statement of Activities
For the Year Ended June 30, 2023

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	\$ 400,860	\$ 115,408	\$ -	\$ -	\$ (285,452)	\$ -	\$ (285,452)
Public safety:							
Police	543,735	15,144	17,450	-	(511,141)	-	(511,141)
Streets	143,472	-	3,590	322,353	182,471	-	182,471
Community center	12,156	-	-	-	(12,156)	-	(12,156)
Parks and recreation	66,088	-	24,202	-	(41,886)	-	(41,886)
Total governmental activities	<u>1,166,311</u>	<u>130,552</u>	<u>45,242</u>	<u>322,353</u>	<u>(668,164)</u>	<u>-</u>	<u>(668,164)</u>
Business-type activities:							
Gas	399,357	393,916	-	-	-	(5,441)	(5,441)
Water	490,618	458,295	-	-	-	(32,323)	(32,323)
Sewer	321,598	215,179	-	58,526	-	(47,893)	(47,893)
Sanitation	20,325	666	-	-	-	(19,659)	(19,659)
Total business-type activities	<u>1,231,898</u>	<u>1,068,056</u>	<u>-</u>	<u>58,526</u>	<u>-</u>	<u>(105,316)</u>	<u>(105,316)</u>
Total	<u>\$2,398,209</u>	<u>\$ 1,198,608</u>	<u>\$ 45,242</u>	<u>\$ 380,879</u>	<u>(668,164)</u>	<u>(105,316)</u>	<u>(773,480)</u>

General revenues:

Taxes -						
Property taxes, levied for general purposes				55,556	64,235	119,791
Sales and use taxes, levied for general purposes				840,260	-	840,260
Franchise taxes				64,312	-	64,312
Grants and contributions not restricted to specific programs -						
State sources				33,753	-	33,753
Non-employer pension contribution				14,037	9,456	23,493
Interest and investment earnings				18,161	2,237	20,398
Miscellaneous				33,028	-	33,028
Transfers				45,146	(45,146)	-
Total general revenues and transfers				<u>1,104,253</u>	<u>30,782</u>	<u>1,135,035</u>
Change in net position				436,089	(74,534)	361,555
Net position - July 1, 2022				<u>3,769,399</u>	<u>5,797,175</u>	<u>9,566,574</u>
Net position - June 30, 2023				<u>\$4,205,488</u>	<u>\$5,722,641</u>	<u>\$9,928,129</u>

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

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTIONS

MAJOR FUNDS

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

1969 Sales Tax Fund -

To account for the receipt and use of proceeds of the Town's 1969 1% sales and use tax. These taxes are dedicated for the purpose of constructing, acquiring, improving and maintaining police department stations and equipment, garbage and waste disposal facilities, streets, drains and drainage facilities; compensating policemen; maintaining sewers and sewerage disposal works; and purchasing and acquiring the necessary equipment and furnishings for the aforesaid public works, improvements and facilities.

1982 Sales Tax Fund -

To account for the receipt and use of proceeds of the Town's 1982 1% sales and use tax. These taxes are dedicated for the purpose of constructing, acquiring, improving, operating, and/or maintaining public streets, bridges, sidewalks, drainage facilities, recreational facilities and garbage and waste disposal facilities; and purchasing and acquiring the necessary land, equipment, and furnishings for any of the aforesaid public works, improvements and facilities.

Capital Projects Funds

Street Improvement Fund -

To account for the improvement of certain streets within the Town.

2% Set Aside Fund -

To account for the financing of various capital improvement projects as designated by the Town Council. Capital projects are to be funded by excess annual revenues of the Town.

LCDBG Grant Projects Fund -

To account for the receipt and subsequent disbursement of Louisiana Community Block Grants and Town's matching funds to be utilized for various projects.

Enterprise Fund

Utility Fund -

To account for the provision of gas, water, sewerage and limited sanitation services to residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

TOWN OF ARNAUDVILLE

Balance Sheet
Governmental Funds
June 30, 2023

	General	1969 Sales Tax Special Revenue	1982 Sales Tax Special Revenue	Other Governmental Funds	Total
ASSETS					
Cash and interest-bearing demand deposits	\$ 654,525	\$ 402,315	\$ 680,417	\$ 19,319	\$ 1,756,576
Interest-bearing time deposits	-	235,298	122,676	159,863	517,837
Receivables:					
Other	14,562	41	-	-	14,603
Interest	-	219	170	71	460
Due from other governmental units	3,311	38,778	38,778	-	80,867
Due from other funds	71,738	14,209	398	-	86,345
Prepaid items	24,852	-	-	-	24,852
Total assets	<u>768,988</u>	<u>690,860</u>	<u>842,439</u>	<u>179,253</u>	<u>2,481,540</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	30,922	60,615	-	-	91,537
Unearned revenue	64,828	-	-	-	64,828
Due to other funds	398	15,556	14,209	13,159	43,322
Total liabilities	<u>96,148</u>	<u>76,171</u>	<u>14,209</u>	<u>13,159</u>	<u>199,687</u>
Fund balances -					
Nonspendable (prepaid items)	24,852	-	-	-	24,852
Restricted for sales tax dedications	-	614,689	828,230	-	1,442,919
Assigned for capital projects	-	-	-	166,094	166,094
Unassigned	647,988	-	-	-	647,988
Total fund balances	<u>672,840</u>	<u>614,689</u>	<u>828,230</u>	<u>166,094</u>	<u>2,281,853</u>
Total liabilities and fund balances	<u>\$ 768,988</u>	<u>\$ 690,860</u>	<u>\$ 842,439</u>	<u>\$ 179,253</u>	<u>\$ 2,481,540</u>

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

TOWN OF ARNAUDVILLE

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2023

Total fund balances for governmental funds		\$2,281,853
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 201,668	
Buildings and improvements, net of \$573,797 accumulated depreciation	732,529	
Infrastructure, net of \$782,457 accumulated depreciation	1,240,508	
Equipment and vehicles, net of \$399,766 accumulated depreciation	<u>174,874</u>	2,349,579
The deferred outflows of expenditures for the municipal and police employees retirement systems are not a use of current resources, and therefore, are not reported in the funds.		
		320,009
Long-term liabilities of governmental activities are not payable from current resources and, therefore, not reported in the funds. These liabilities consist of:		
Compensated absences payable	(15,634)	
Net pension liability	<u>(707,995)</u>	(723,629)
The deferred inflows of contributions for the municipal and police employees retirement systems are not available resources, and therefore, are not reported in the funds.		
		<u>(22,324)</u>
Total net position of governmental activities		<u>\$4,205,488</u>

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

TOWN OF ARNAUDVILLE

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
For the Year Ended June 30, 2023

	General	1969 Sales Tax Special Revenue	1982 Sales Tax Special Revenue	Other Governmental Funds	Total
Revenues:					
Taxes	\$ 119,868	\$ 420,130	\$ 420,130	\$ -	\$ 960,128
Licenses and permits	115,408	-	-	-	115,408
Intergovernmental	359,696	17,450	-	-	377,146
Fines and forfeits	15,144	-	-	-	15,144
Miscellaneous	57,230	8,716	9,276	170	75,392
Total revenues	<u>667,346</u>	<u>446,296</u>	<u>429,406</u>	<u>170</u>	<u>1,543,218</u>
Expenditures:					
Current -					
General government	295,196	21,518	16,394	-	333,108
Public safety - police	240,115	312,235	-	-	552,350
Streets	35,085	-	32,601	-	67,686
Community center	12,156	-	-	-	12,156
Parks and recreation	49,819	-	4,308	-	54,127
Capital outlay	25,261	86,645	-	-	111,906
Total expenditures	<u>657,632</u>	<u>420,398</u>	<u>53,303</u>	<u>-</u>	<u>1,131,333</u>
Excess (deficiency) of revenues over expenditures	<u>9,714</u>	<u>25,898</u>	<u>376,103</u>	<u>170</u>	<u>411,885</u>
Other financing sources (uses):					
Transfers in	200,000	-	-	45,146	245,146
Transfers out	-	(8,200)	(191,800)	-	(200,000)
Total other financing sources (uses)	<u>200,000</u>	<u>(8,200)</u>	<u>(191,800)</u>	<u>45,146</u>	<u>45,146</u>
Net changes in fund balances	209,714	17,698	184,303	45,316	457,031
Fund balances, beginning	<u>463,126</u>	<u>596,991</u>	<u>643,927</u>	<u>120,778</u>	<u>1,824,822</u>
Fund balances, ending	<u>\$ 672,840</u>	<u>\$ 614,689</u>	<u>\$ 828,230</u>	<u>\$ 166,094</u>	<u>\$ 2,281,853</u>

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

TOWN OF ARNAUDVILLE

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2023

Total net changes in fund balance for the year ended June 30, 2023 per statement of revenues, expenditures and changes in fund balances		\$ 457,031
The change in net position reported for governmental activities in the statement of activities is different because:		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay which are considered expenditures on the statement of revenues, expenditures and changes in fund balances	\$ 111,906	
Depreciation expense	<u>(160,948)</u>	(49,042)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.		
Decrease in compensated absences	812	
Decrease in pension expense	<u>13,251</u>	14,063
Non-employer's contributions to the municipal employees and the police employees pension plans		<u>14,037</u>
Total net changes in net position for the year ended June 30, 2022 per statement of activities		<u>\$ 436,089</u>

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

TOWN OF ARNAUDVILLE

Statement of Net Position
 Proprietary Fund
 June 30, 2023

	<u>Enterprise Fund</u>
ASSETS	
Current assets:	
Cash and interest-bearing demand deposits	\$ 566,644
Interest-bearing time deposits	1,045,462
Receivables:	
Accounts	122,114
Other	1,255
Due from other funds	13,159
Prepaid items	<u>30,007</u>
Total current assets	<u>1,778,641</u>
Noncurrent assets:	
Restricted assets -	
Cash and interest-bearing demand deposits	66,842
Capital assets, net of accumulated depreciation	<u>4,501,606</u>
Total noncurrent assets	<u>4,568,448</u>
Total assets	<u>6,347,089</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>183,943</u>
LIABILITIES	
Current liabilities:	
Accounts payable	13,364
Contracts payable	91,000
Due to other funds	56,182
Accrued liabilities	8,866
Payable from restricted assets -	
Customers' deposits payable	<u>66,842</u>
Total current liabilities	<u>236,254</u>
Noncurrent liabilities:	
Compensated absences	13,157
Net pension liability	<u>551,489</u>
Total noncurrent liabilities	<u>564,646</u>
Total liabilities	<u>800,900</u>
DEFERRED INFLOWS OF RESOURCES	<u>7,491</u>
NET POSITION	
Net investment in capital assets	4,410,606
Unrestricted	<u>1,312,035</u>
Total net position	<u>\$ 5,722,641</u>

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

TOWN OF ARNAUDVILLE

Statement of Revenues, Expenses, and Changes in Fund Net Position -
 Proprietary Fund
 For the Year Ended June 30, 2022

	<u>Enterprise Fund</u>
Operating revenues:	
Charges for services -	
Gas charges	\$ 365,471
Water charges	443,247
Sewer service charges	211,522
Sanitation charges	650
Miscellaneous	<u>47,166</u>
Total operating revenues	<u>1,068,056</u>
Operating expenses:	
Salaries	267,866
Payroll taxes and retirement	100,395
Gas purchases	105,351
Supplies, repairs and maintenance	242,797
Professional fees	32,792
Bad debts	6,319
Telephone	4,782
Depreciation	312,552
Insurance	64,452
Utilities	41,366
Fire department expense	3,072
Office supplies	11,692
Miscellaneous	<u>37,482</u>
Total operating expenses	<u>1,230,918</u>
Operating loss	<u>(162,862)</u>

(continued)

TOWN OF ARNAUDVILLE

Statement of Revenues, Expenses, and Changes in Fund Net Position -
 Proprietary Fund (Continued)
 For the Year Ended June 30, 2023

	<u>Enterprise Fund</u>
Nonoperating revenues (expenses):	
Non-employer pension contribution	9,456
Interest income	2,237
Ad valorem taxes	64,235
Interest expense	<u>(980)</u>
Total nonoperating revenues (expenses)	<u>74,948</u>
Loss before contributions and transfers	(87,914)
Contributions	58,526
Transfers	<u>(45,146)</u>
Total transfers	<u>(45,146)</u>
Change in net position	(74,534)
Net position, beginning	<u>5,797,175</u>
Net position, ending	<u>\$ 5,722,641</u>

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

TOWN OF ARNAUDVILLE

Statement of Cash Flows
 Proprietary Fund
 For the Year Ended June 30, 2023

	<u>Enterprise Fund</u>
Cash flows from operating activities:	
Receipts from customers	\$ 1,059,755
Payments to suppliers	(702,650)
Payments to employees	<u>(167,471)</u>
Net cash provided by operating activities	<u>189,634</u>
Cash flows from noncapital financing activities:	
Cash received by other funds	(118,761)
Transfers to other funds	(45,146)
Increase in customer deposits payable	3,100
Ad valorem tax receipts	<u>64,235</u>
Net cash provided by noncapital financing activities	<u>(96,572)</u>
Cash flows from capital and related financing activities:	
Principal paid on revenue bonds	(31,000)
Interest and fiscal charges paid on revenue bonds	(980)
Acquisition of property, plant and equipment	(178,522)
Capital contributions	<u>58,526</u>
Net cash used by capital and related financing activities	<u>(151,976)</u>
Cash flows from investing activities:	
Maturities of interest-bearing time deposits	1,088,578
Purchase of interest-bearing time deposits	(1,045,462)
Interest on interest-bearing deposits	<u>2,237</u>
Net cash used by investing activities	<u>45,353</u>
Net decrease in cash and cash equivalents	(13,561)
Cash and cash equivalents, beginning of period	<u>647,047</u>
Cash and cash equivalents, end of period	<u>\$ 633,486</u>

(continued)

TOWN OF ARNAUDVILLE

Statement of Cash Flows
Proprietary Fund (Continued)
For the Year Ended June 30, 2023

	<u>Enterprise Fund</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (162,862)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	312,552
Pension	43,290
Changes in current assets and liabilities:	
Decrease in accounts receivable	(8,301)
Increase in prepaid items	1,564
Decrease in accounts payable	13,364
Increase in accrued liabilities	<u>(9,973)</u>
Net cash provided by operating activities	<u>\$ 189,634</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:	
Cash and cash equivalents, beginning of period -	
Cash - unrestricted	\$ 583,305
Cash - restricted	<u>63,742</u>
Total cash and cash equivalents	<u>647,047</u>
Cash and cash equivalents, end of period -	
Cash - unrestricted	566,644
Cash - restricted	<u>66,842</u>
Total cash and cash equivalents	<u>633,486</u>
Net decrease	<u>\$ (13,561)</u>

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

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Town of Arnaudville (Town) have been prepared in conformity with accounting principles generally accepted in the United States of America (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 subsections of this note.

A. Financial Reporting Entity

The Town of Arnaudville was incorporated in 1909 under the provisions of the Lawrason Act. The Town operates under the 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.

Based on the foregoing criteria, one governmental organization is not part of the Town and is thus excluded from the accompanying financial statements. This organization is the Arnaudville Volunteer Fire Department. Although the Town does provide facilities and some of their financing, no control is exercised over their operations.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity, except the fiduciary funds. 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 ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Fund Financial Statements (FFS)

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.

The various funds of the Town are classified into two categories: governmental and proprietary (enterprise). 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, liabilities, 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, liabilities, 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 Town reports the following major governmental funds:

Governmental Funds -

General Fund

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.

Special Revenue Funds

1969 Sales Tax Fund -

The 1969 Sales Tax Fund is used to account for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for specific purposes. These taxes are described in note 3.

1982 Sales Tax Fund -

The 1982 Sales Tax Fund is used to account for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for specific purposes. These taxes are described in note 3.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

The Town reports the following major enterprise funds:

Utility Fund -

This fund accounts for operations of the gas, water, sewer and sanitation services (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 ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Basis of Accounting

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

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within 60 days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when 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.

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

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

Cash, interest-bearing deposits, and investments

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Town. For the purpose of the proprietary fund statement of cash flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

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.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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 and franchise taxes. Business-type activities report customer's utility service receivables as their major receivables. Through the establishment of an allowance account, uncollectible amounts due from customers' utility receivables are determined based on the Town's collection history. The allowance for uncollectible for customers utility receivables at June 30, 2023 was \$6,834. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month are \$54,682 at June 30, 2023.

Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) depends on whether they are reported in the government-wide or fund financial statements.

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation. The Town maintains a threshold level of \$1,000 or more for capitalizing capital assets. 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.

The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	40 years
Equipment and vehicles	3-10 years
Utility system and improvements	10-50 years
Infrastructure	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.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Prior to the adoption of GASB 34, it was the Town's policy not to record infrastructure; therefore, the Town did not have a complete listing of infrastructure. However, through the years, a partial list of infrastructure was maintained. The Town has opted not to do a detailed analysis of existing infrastructure. Rather, infrastructure for which cost information is available is reported prospectively.

Restricted Assets

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

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 the revenue bonds payable and utility meter deposits 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 are 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 some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures of revenues, respectively. At June 30, 2023, the Town's deferred outflows and inflows of resources are attributable to its pension plans.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Compensated Absences

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

Vacation leave is earned at the rate of five days to twenty days per year. Vacation leave earned does not accumulate from year to year. However, all vacation leave accumulated at the time of separation is payable.

Sick leave is earned at the rate of one day per month not to exceed ten days in one year. Employees are allowed to accumulate and carryforward up to thirty days of sick leave from year to year. Accumulated sick leave is not payable at time of separation.

At June 30, 2023, employees of the Town have accumulated and vested \$28,791 of compensated absence benefits. The estimated liabilities include required salary-related payments.

Equity Classifications

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

- a. Net investment in capital assets – This component consists of net capital assets reduced by the outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased balances of deferred outflows of resources related to those assets.
- b. Restricted net position – This component is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the Town's debt. Restricted net position is restricted assets reduced by liabilities and deferred inflows of resources related to the restricted 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. The Town typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project. At June 30, 2023, the Town reported \$1,442,919 of restricted net position, all of which was restricted by enabling legislation.
- c. Unrestricted net position – This component consists of all other net position that does not meet the definition of the above two components and is available for general use by the Town.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

In the fund financial statements, governmental fund equity is classified as fund balance. As such, fund balances of the governmental funds are classified as follows.

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. 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.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Town's Mayor and Board of Aldermen, which is the highest level of decision-making authority for the Town.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Town's adopted policy, only the Mayor and Board of Aldermen may assign amounts for specified purposes.
- e. Unassigned – all other spendable amounts.

When an expenditure is incurred for the 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 the Town has provided otherwise in his commitment or assignment actions.

Enterprise (Utility) Fund equity at the fund level is classified the same as in the government-wide statements.

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.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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, governmental funds expenditures are classified by character and proprietary fund expenses are classified by operating and nonoperating.

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 Town uses unrestricted resources only when restricted resources are fully depleted. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Sales tax	See Note 3

G. Use of Estimates

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

H. Comparative Data and Reclassification

Comparative data for the prior year have been presented in certain sections of the accompanying financial statements in order to provide an understanding of changes in the Town's financial position and operations. Also, certain amounts presented in the prior year data have been reclassified to be consistent with the current year's presentation.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(2) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town in September or October and are actually billed to taxpayers in December. Billed taxes become delinquent on January 1 of the following year. The Town bills and collects its own property taxes using the assessed values determined by the Tax Assessors of St. Martin and St. Landry Parishes. Town property tax revenues are budgeted in the year billed.

For the year ended June 30, 2023, taxes of 12.72 mills were levied on property with assessed valuations totaling \$7,467,586 and were dedicated as follows:

General corporate purposes	5.72 mills
Utility system	7.00 mills

Total taxes levied were \$98,871. There are no taxes receivable amounts at June 30, 2023.

(3) Sales and Use Tax

Proceeds of a 1 percent sales and use tax (accounted for in the 1969 Sales Tax Fund - a special revenue fund) levied by the Town (2023 collections \$420,130) are dedicated to the following purposes:

Constructing, acquiring, improving and maintaining police department stations and equipment, garbage and waste disposal facilities, streets, drains and drainage facilities; compensating policemen; maintaining sewers and sewerage disposal works; and purchasing and acquiring the necessary equipment and furnishings for the aforesaid public works, improvements and facilities.

Proceeds of a 1 percent sales and use tax (accounted for in the 1982 Sales Tax Fund - a special revenue fund) levied by the Town (2023 collections \$420,130) are dedicated to the following purposes:

Constructing, acquiring, improving, operating and/or maintaining public streets, bridges, sidewalks, drainage facilities, recreational facilities and garbage and waste disposal facilities; and purchasing and acquiring the necessary land, equipment, and furnishings for any of the aforesaid public works, improvements and facilities.

The above sales taxes were issued in perpetuity.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(4) Cash and Interest-Bearing Deposits and Investments

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 the state banks organized under Louisiana law and national banks having principal offices in Louisiana.

At June 30, 2023, the Town had cash and interest-bearing deposits (book balances) totaling \$3,953,361 as follows:

Demand deposits	\$2,390,062
Time deposits	<u>1,563,299</u>
Total	<u>\$3,953,361</u>

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

Deposit balances (bank balances) at June 30, 2023 were secured as follows:

Bank balances	<u>\$4,013,917</u>
Federal deposit insurance	1,000,000
Pledged securities	<u>3,013,917</u>
Total FDIC insurance and pledged securities	<u>\$4,013,917</u>

Deposits in the amount of \$3,013,917 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the Town's name. Even though the pledged securities are considered uncollateralized, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Town that the fiscal agent has failed to pay deposited funds upon demand. The Town does not have a policy for custodial credit risk.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(5) Receivables

Receivables at June 30, 2023 of \$138,432 consist of the following:

	General	1969 Sales Tax	1982 Sales Tax	2% Set Aside	Utility	Total
Accounts	\$ -	\$ -	\$ -	\$ -	\$128,964	\$128,964
Allowance	-	-	-	-	(6,834)	(6,834)
Franchise taxes	14,562	-	-	-	-	14,562
Interest	-	219	170	71	1,239	1,699
Other	-	41	-	-	-	41
Totals	<u>\$ 14,562</u>	<u>\$ 260</u>	<u>\$ 170</u>	<u>\$ 71</u>	<u>\$123,369</u>	<u>\$138,432</u>

(6) Due from Other Governmental Units

Amounts due from other governmental units at June 30, 2023 consisted of the following:

Fund Financial Statements:

Governmental funds-

St. Landry Parish School Board:

Sales tax revenues \$ 77,556

St. Landry Parish Government:

Video poker 2,318

State of Louisiana:

Beer taxes 969

Video poker commissions 24

\$ 80,867

Governmental-wide financial statements:

Total amount reported in-

Governmental Funds, from above \$ 80,867

(7) Restricted Assets

Restricted assets in the business-type activities consisted of the following at June 30, 2023:

Customers' deposits \$ 66,842

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(8) Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

	Balance 7/1/2022	Additions	Deletions	Balance 6/30/2023
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 201,668	\$ -	\$ -	\$ 201,668
Other capital assets:				
Buildings and improvements	1,308,528	-	2,202	1,306,326
Infrastructure	2,013,025	9,940	-	2,022,965
Equipment and vehicles	604,126	101,966	131,442	574,650
Totals	<u>4,127,347</u>	<u>111,906</u>	<u>133,644</u>	<u>4,105,609</u>
Less accumulated depreciation				
Buildings and improvements	523,811	52,188	2,202	573,797
Infrastructure	699,468	82,989	-	782,457
Equipment and vehicles	504,760	25,771	130,755	399,776
Total accumulated depreciation	<u>1,728,039</u>	<u>160,948</u>	<u>132,957</u>	<u>1,756,030</u>
Governmental activities, capital assets, net	<u>\$ 2,399,308</u>	<u>\$ (49,042)</u>	<u>\$ 687</u>	<u>\$ 2,349,579</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 58,209	\$ -	\$ -	\$ 58,209
Other capital assets:				
Plant and equipment - gas	934,211	48,943	26,683	956,471
Plant and equipment - water system	4,079,647	9,750	35,515	4,053,882
Plant and equipment - sewer system	3,854,743	-	6,859	3,847,884
Auto and office equipment	399,022	65,530	9,897	454,655
Totals	<u>9,325,832</u>	<u>124,223</u>	<u>78,954</u>	<u>9,371,101</u>
Less accumulated depreciation				
Plant and equipment - gas	326,528	17,485	9,897	334,116
Plant and equipment - water system	1,659,587	150,145	35,397	1,774,335
Plant and equipment - sewer system	1,922,677	129,072	6,859	2,044,890
Auto and office equipment	726,987	15,850	26,683	716,154
Total accumulated depreciation	<u>4,635,779</u>	<u>312,552</u>	<u>78,836</u>	<u>4,869,495</u>
Business-type activities, capital assets, net	<u>\$ 4,690,053</u>	<u>\$ (188,329)</u>	<u>\$ 118</u>	<u>\$ 4,501,606</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 63,326
Police	9,875
Streets	75,786
Park and recreation	<u>11,961</u>
Total depreciation expense	<u>\$ 160,948</u>

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

Gas	\$ 23,191
Water	157,119
Sewer	<u>132,242</u>
Total depreciation expense	<u>\$312,552</u>

(9) Accounts and Other Payables

The accounts, salaries, and other payables consisted of the following at June 30, 2023:

	Governmental Activities	Business-Type Activities	Total
Accounts	\$ 91,537	13,364	\$ 104,901
Contracts payable	-	91,000	91,000
Accrued liabilities	-	<u>8,866</u>	<u>8,866</u>
Totals	<u>\$ 91,537</u>	<u>\$ 113,230</u>	<u>\$ 204,767</u>

(10) Unearned Revenue

Unearned revenue of \$64,828 at June 30, 2023 consists of federal awards received under the American Rescue Plan Act (ARPA). The ARPA established the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) on March 11, 2021, to provide governments with the resources needed to respond to the pandemic and its economic effects and to build a stronger, more equitable economy during the recovery. The Town is required to spend these funds in accordance with assistance listing 21.027 guidance. These funds must be obligated by December 31, 2024 and expended by December 31, 2026.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(11) Long-Term Liabilities

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

	<u>Bonds Payable</u>
Long-term liabilities at July 1, 2022	\$ 31,000
Additions	-
Reductions	<u>(31,000)</u>
Long-term liabilities at June 30, 2023	<u>\$ -</u>

The bonds attributable to business-type activities and were payable from proprietary (Enterprise Fund) revenues were paid in full at June 30, 2023.

(12) Flow of Funds; Restrictions on Use – Utilities Revenues

For the payment of the principal and the interest on the Public Improvement Bonds (2007), a Sinking Fund must be established and maintained with the regularly designated fiscal agent bank of the Town. The Town shall deposit in said Sinking Fund at least three (3) days in advance of the date on which each payment of principal and/or interest on the Bonds falls due, funds fully sufficient to promptly pay the maturing principal and/or interest so falling due on such date.

The Public Improvement Bonds (2007) have no additional reserve and contingency fund requirements. All revenues received in any fiscal year and not required to be paid in such fiscal year into any of the above noted accounts shall be regarded as surplus and may be used for any lawful corporate purpose. The Public Improvement Bonds (2007) were fully paid during the year ended June 30, 2023.

(13) Pension Plans

The Town participates in two cost-sharing defined benefit plans, each administered by separate public employee retirement systems. Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of all plans administered by these public employee retirement systems to the State Legislature. These plans are not closed to new entrants. Substantially all Town employees participate in one of the following retirement systems:

Plan Descriptions:

Municipal Employees' Retirement Systems (MERS) provides retirement, disability, and survivor benefits to eligible employees and their beneficiaries as defined in LRS 11:1731 and 11:1781. The Town participates in Plan A.

State of Louisiana - Municipal Police Employees' Retirement System (MPERS) provides retirement, disability, and survivor benefits to eligible employees and their beneficiaries as defined in LRS 11:2211 and 11:2220.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Basic Financial Statements (Continued)

The systems' financial statements are prepared using the accrual basis of accounting. Employer and employee contributions are recognized in the period in which the employee is compensated for services performed. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Interest income is recognized when earned.

A brief summary of eligibility and benefits of the plans are provided in the following table:

	<u>MERS</u>	<u>MPERS</u>
Final average salary	Final average compensation	Highest 36 months or 60 months ²
Years of service required and/or age eligible for benefits	25 years of any age 10 years age 60 20 years any age ¹	25 years of any age 20 years age 55 12 years age 55 20 years any age ¹ 30 years any age ³ 25 years age 55 ³ 10 years age 60 ³
Benefit percent per years of service	3.00%	2.50 - 3.33% ⁴

¹ With actuarial reduced benefits

² Membership commencing January 1, 2013

³ Under non hazardous duty sub plan commencing January 1, 2013

⁴ Membership commencing January 1, 2013 non hazardous duty plan 2.5%, hazardous duty plan 3.0%, membership prior to January 1, 2013 3.33%.

Contributions

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee. Contributions of employees, employers, and non-employer contributing entities effective for the year ended June 30, 2023 for the defined benefit pension plans in which the Town is a participating employer were as follows:

<u>Plan</u>	<u>Active Member Contribution Percentage</u>	<u>Employer Contribution Percentage</u>	<u>Nonemployer Contributing Entities</u>	<u>Government Contributions</u>
MERS	10.00%	29.50%	\$ 14,548	\$ 100,285
MPERS	10.00%	29.75%	8,945	71,224
Total			<u>\$ 23,493</u>	<u>\$ 171,509</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Net Pension Liability

The Town's net pension liability at June 30, 2023 is comprised of its proportionate share of the net pension liability relating to each of the cost-sharing plans in which the Town is a participating employer. The Town's net pension liability for each plan was measured as of the plan's measurement date (June 30, 2022 for both plans) and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportionate share of the net pension liability for each of the plans in which it participates was based on the Town's required contributions in proportion to total required contributions for all employers. As of the most recent measurement date, the Town's proportion for each plan and the change in proportion from the prior measurement date were as follows:

<u>Plan</u>	<u>Proportionate Share of Net Pension Liability</u>	<u>Proportionate Share (%) of Net Pension Liability</u>	<u>Increase/(Decrease) from Prior Measurement Date</u>
MERS	\$ 848,446	0.204285%	0.013941%
MPERS	411,038	0.040212%	0.006033%
Total	<u>\$ 1,259,484</u>		

Since the measurement date of the net pension liability was June 30, 2022, the net pension liability is based upon fiduciary net position for each of the plans as of those dates. Detailed information about each pension plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the Town's net pension liability is available in the separately issued plan financial reports for those fiscal years. The financial report for each plan may be accessed on their website as follows:

- MERS - <http://www.mersla.com/>
- MPERS - <http://lampers.org/>

Actuarial Assumptions

The following table provides information concerning actuarial assumptions used in the determination of the total pension liability for each of the defined benefit plans in which the primary government is a participating employer:

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Basic Financial Statements (Continued)

	MERS	MPERS
Date of experience study on which significant assumptions are based	7/1/2013 - 6/30/2018	7/1/2014 - 6/20/2019
Actuarial cost method	Entry Age Normal	Entry Age Normal
Investment rate of return	6.85%, net of investment expense	6.75%, net of investment expense
Expected remaining service lives	3	4
Inflation rate	2.5%	2.5%
Projected salary increases	4.5% - 6.4%	4.70% - 12.30%
Projected benefit changes including COLAs	None	None
Source of mortality assumptions	(1), (2), (3)	(4), (5), (6)

(1) PUBG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using MP2018 scales

(2) PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusting using MP2018 scales

(3) PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale

(4) RP-2010 Safety Below-Median Healthy Retiree Table multiplied by 115% for males and 125% for females, each with full generational projection using the MP 2019 scale

(5) RP-2010 Safety Below-Median Employee Table multiplied by 115% for males and 125% for females, each with full generational projection using the MP 2019 scale

(6) RP-2010 Safety Disable Retiree Table multiplied by 105% for males and 115% for females, each with full generational projection using the MP 2019 scale

Cost of Living Adjustments

The pension plans in which the Town participates have the authority to grant cost-of-living adjustments (COLAs) on an ad hoc basis.

Pursuant to LRS 11:242(B), the power of the Board of Trustees of the statewide systems (MERS and MPERS) to grant a COLA is effective in calendar years that the legislature fails to grant a COLA, unless in the legislation granting a COLA, the legislature authorizes the Board of Trustees to provide an additional COLA. The authority to grant a COLA by the Board is subject to the funded status and interest earnings. The effects of the benefit changes made as a result of the COLAs is included in the measurement of the total pension liability as of the measurement date at which the ad hoc COLA was granted and the amount is known and reasonably estimable.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Long-term Rate of Return

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

The target allocation and best estimates of arithmetic/geometric real rates of return for each major asset class are summarized for each plan in the following tables:

Asset Class	MERS		MPERS	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income	38.00%	1.65%	30.50%	0.85%
Equities	53.00%	2.31%	55.50%	3.60%
Alternative Investments	<u>9.00%</u>	<u>0.39%</u>	<u>14.00%</u>	<u>0.95%</u>
Totals	<u>100%</u>	4.35%	<u>100%</u>	5.40%
Inflation		<u>2.60%</u>		<u>2.66%</u>
Expected arithmetic nominal return		<u>6.95%</u>		<u>8.06%</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended June 30, 2023, the Town recognized \$138,008 and \$49,572 in pension expense related to MERS and MPERS, respectively.

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

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Basic Financial Statements (Continued)

	Deferred Outflows of Resources		
	MERS	MPERS	Total
Difference between expected and actual experience	\$ 1,002	\$ 2,027	\$ 3,029
Changes of assumptions	8,219	14,179	22,398
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	32,477	59,977	92,454
Net differences between projected and actual earnings on plan investments	141,179	73,383	214,562
Contributions subsequent to the measurement date	100,285	71,224	171,509
Total	<u>\$ 283,162</u>	<u>\$220,790</u>	<u>\$ 503,952</u>

	Deferred Inflows of Resources		
	MERS	MPERS	Total
Difference between expected and actual experience	\$ 3,249	\$ 3,350	\$ 6,599
Net differences between projected and actual earnings on plan investments	-	-	-
Changes of assumptions	-	3,057	3,057
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	8,276	11,883	20,159
Total	<u>\$ 11,525</u>	<u>\$ 18,290</u>	<u>\$ 29,815</u>

Deferred outflows of resources of \$171,509 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending June 30, 2023. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

<u>Year Ended June 30,</u>	MERS	MPERS	Total
2024	\$ 46,971	\$ 32,351	\$ 79,322
2025	43,168	44,364	87,532
2026	13,510	16,066	29,576
2027	67,703	38,495	106,198
	<u>\$ 171,352</u>	<u>\$ 131,276</u>	<u>\$ 302,628</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net positions was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for MERS was 6.85%, a decrease of .00% from the prior year. The discount rate used to measure the total pension liability for MPERS was 6.75%, a decrease of .00% from the prior year.

Sensitivity of the Government's Proportional Share of the Net Pension Liabilities to Changes in the Discount Rate:

The following presents the Government's proportionate shares of the net pension liabilities of the plans, calculated using their respective discount rates, as well as what the Government's proportionate shares of the net pension liabilities would be if they were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

Plan	Current Discount Rate	Net Pension Liability		
		1% Decrease	Current Discount Rate	1% Increase
MERS	6.850%	\$ 1,128,595	\$ 848,445	\$ 611,724
MPERS	6.750%	<u>575,375</u>	<u>411,038</u>	<u>273,763</u>
Total		<u>\$ 1,703,970</u>	<u>\$ 1,259,483</u>	<u>\$ 885,487</u>

Payables to the Pension Plans

At June 30, 2023, the Town's payables were \$4,882 and \$14,344 to MERS and MPERS, respectively, for the month of June 2023, which were the contractually required contributions.

(14) On-Behalf Payment of Salaries

The Town has recognized \$17,450 as a revenue and expenditure for on-behalf salary payments made by the State of Louisiana.

(15) Risk Management

The Town is exposed to risks of loss in the areas of general and auto liability, property hazards and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded coverage for the past three years.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(16) Pending Litigation

At June 30, 2023, the Town is not involved in any lawsuits and is not aware of any unasserted claims.

(17) Departmental Information for the Enterprise Fund

The Town maintains one enterprise fund with four departments, which provides gas, water, sewerage and sanitation (on a limited basis) services. Departmental information for the year ended June 30, 2023 was as follows:

	Gas Department	Water Department	Sewerage Department	Sanitation Department	Total Enterprise Fund
Operating revenues	\$ 393,916	\$ 458,295	\$ 215,179	\$ 666	\$1,068,056
Operating expenses:					
Depreciation expense	23,191	157,119	132,242	-	312,552
Other operating expenses	376,167	332,518	189,356	20,325	918,366
Total operating expenses	399,357	489,638	321,598	20,325	1,230,918
Operating income (loss)	\$ (5,441)	\$ (31,343)	\$(106,419)	\$ (19,659)	\$ (162,862)

(18) Compensation of Town Officials

A detail of compensation paid to the Mayor, Chief of Police, and Board of Aldermen for the year ended June 30, 2023 follows:

Todd Meche, Mayor	\$ 18,392
Josh Ross, Chief of Police (Incoming)	20,126
Eddie LeCompte, Chief of Police (Outgoing)	20,928
Aldermen:	
Jamie Huval	4,600
Debra Kidder	4,600
Kevin Robin	4,600
John Taylor (Incoming)	2,500
Cynthia Stelly (Outgoing)	2,100
Suzanne Stelly	4,600
	\$ 82,446

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(19) Compensation, Reimbursements, Benefits, and Other Payments to Entity Head

Under Act 706, the Town of Arnaudville is required to disclose the compensation, reimbursements, benefits, and other payments made to the mayor, in which the payments are related to the position. The following is a schedule of payments made to Todd Meche, Mayor for the year ended June 30, 2023:

Salary	\$ 18,392
Benefits - retirement	1,839
Reimbursements	<u>471</u>
	<u>\$ 20,702</u>

(20) Interfund Transactions

A. Receivables and Payables

Interfund receivables and payables consisted of the following at June 30, 2023:

	Interfund Receivables	Interfund Payables
Governmental Funds:		
General Fund	\$ 71,738	\$ 398
1969 Sales Tax Special Revenue Fund	14,209	15,556
1982 Sales Tax Special Revenue Fund	398	14,209
Other Governmental Funds	-	13,159
Enterprise Fund:		
Utility Fund	<u>13,159</u>	<u>56,182</u>
Total	<u>\$ 99,504</u>	<u>\$ 99,504</u>

Transfers are recorded in the year in which they were budgeted. However, the amounts are not always paid in that same year; therefore, causing balances as noted above. These balances are expected to be paid within the next fiscal year.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Basic Financial Statements (Continued)

B. Interfund Transfers

Interfund transfers consisted of the following at June 30, 2023:

	<u>Interfund Transfers In</u>	<u>Interfund Transfers Out</u>
Governmental Funds:		
General Fund	\$ 200,000	\$ -
1969 Sales Tax Special Revenue Fund	-	8,200
1982 Sales Tax Special Revenue Fund	-	191,800
Street Improvement Capital Projects Fund	-	-
Other Governmental Funds	45,146	-
Enterprise Fund:		
Utility Fund	-	45,146
Total	<u>\$ 245,146</u>	<u>\$ 245,146</u>

Transfers made to the General Fund are for the normal operations of the Town. The amounts each fund will transfer are calculated as part of the budget preparation process. These amounts reflect each fund's proportionate share of expenses paid out of the General Fund.

(21) New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued the following statements which were not required to be implemented by the Government during the fiscal year.

- GASB Statement No. 87, "Leases." The requirements of this Statement are effective for fiscal years beginning after June 30, 2022.
- GASB Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period." The requirements of this Statement are effective for fiscal years beginning after December 31, 2021.

The effect of implementation of these new pronouncements on the Government's financial statements had no effect.

(22) Uncertainties Arising During and After Financial Statement Date

Management has evaluated subsequent events through September 6, 2023, the date which the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY
INFORMATION**

TOWN OF ARNAUDVILLE
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 113,239	\$ 117,848	\$ 119,868	\$ 2,020
Licenses and permits	82,505	76,455	115,408	38,953
Intergovernmental	233,563	352,226	359,696	7,470
Fines and forfeits	8,710	14,570	15,144	574
Miscellaneous	26,114	58,745	57,230	(1,515)
Total revenues	<u>464,131</u>	<u>619,844</u>	<u>667,346</u>	<u>47,502</u>
Expenditures:				
Current-				
General government	316,665	304,637	295,196	9,441
Public safety - police	238,265	246,920	240,115	6,805
Streets	15,500	35,040	35,085	(45)
Community center	-	12,995	12,156	839
Parks and recreation	43,703	49,627	49,819	(192)
Capital outlay	<u>25,000</u>	<u>26,823</u>	<u>25,261</u>	<u>1,562</u>
Total expenditures	<u>639,133</u>	<u>676,042</u>	<u>657,632</u>	<u>18,410</u>
Deficiency of revenues over expenditures	<u>(175,002)</u>	<u>(56,198)</u>	<u>9,714</u>	<u>65,912</u>
Other financing sources (uses):				
Transfers in	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Net change in fund balances	24,998	143,802	209,714	65,912
Fund balance, beginning	<u>463,126</u>	<u>463,126</u>	<u>463,126</u>	<u>-</u>
Fund balance, ending	<u>\$ 488,124</u>	<u>\$ 606,928</u>	<u>\$ 672,840</u>	<u>\$ 65,912</u>

See notes to required supplementary information.

TOWN OF ARNAUDVILLE
1969 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 712,000	\$ 406,000	\$ 420,130	\$ 14,130
Intergovernmental	18,000	18,230	17,450	(780)
Miscellaneous	290	-	8,716	8,716
Total revenues	<u>730,290</u>	<u>424,230</u>	<u>446,296</u>	<u>22,066</u>
Expenditures:				
General government -				
Bank charges	150	150	-	150
Collection fees	10,770	5,465	4,096	1,369
Professional fees	32,480	17,510	17,422	88
Total general government	<u>43,400</u>	<u>23,125</u>	<u>21,518</u>	<u>1,607</u>
Public safety - police -				
Salaries	198,000	210,000	209,736	264
Supplemental pay	18,000	18,230	17,450	780
Worker's compensation	16,000	19,000	18,348	652
Payroll taxes and retirement	77,000	63,674	59,790	3,884
Contract labor	10,000	6,360	6,360	-
Total public safety	<u>352,025</u>	<u>317,815</u>	<u>312,235</u>	<u>5,580</u>
Capital outlay	-	85,000	86,645	(1,645)
Total expenditures	<u>395,425</u>	<u>425,940</u>	<u>420,398</u>	<u>5,542</u>
Excess (deficiency) of revenues over expenditures	334,865	(1,710)	25,898	27,608
Other financing use:				
Transfers out	<u>(200,000)</u>	<u>(8,500)</u>	<u>(8,200)</u>	<u>(300)</u>
Net change in fund balance	134,865	(10,210)	17,698	27,308
Fund balance, beginning	<u>596,991</u>	<u>596,991</u>	<u>596,991</u>	<u>-</u>
Fund balance, ending	<u>\$ 731,856</u>	<u>\$ 586,781</u>	<u>\$ 614,689</u>	<u>\$ 27,308</u>

See notes to required supplementary information.

TOWN OF ARNAUDVILLE
1982 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 356,000	\$ 408,500	\$ 420,130	\$ 11,630
Miscellaneous	290	9,705	9,276	(429)
Total revenues	<u>356,290</u>	<u>418,205</u>	<u>429,406</u>	<u>11,201</u>
Expenditures:				
General government -				
Collection fees	5,385	4,465	4,096	369
Professional fees	<u>13,440</u>	<u>12,360</u>	<u>12,298</u>	<u>62</u>
Total general government	18,825	16,825	16,394	431
Streets -				
Utilities - street lighting	29,000	32,760	32,601	159
Culture and recreation -				
Park utilities	<u>4,025</u>	<u>4,525</u>	<u>4,308</u>	<u>217</u>
Total expenditures	<u>51,850</u>	<u>54,110</u>	<u>53,303</u>	<u>807</u>
Excess of revenues over expenditures	304,440	364,095	376,103	12,008
Other financing uses:				
Transfers out	<u>(200,000)</u>	<u>(200,000)</u>	<u>(191,800)</u>	<u>8,200</u>
Net change in fund balance	104,440	164,095	184,303	20,208
Fund balance, beginning	<u>643,927</u>	<u>643,927</u>	<u>643,927</u>	<u>-</u>
Fund balance, ending	<u>\$ 748,367</u>	<u>\$ 808,022</u>	<u>\$ 828,230</u>	<u>\$ 20,208</u>

See notes to required supplementary information.

TOWN OF ARNAUDVILLE

Schedule of Employer's Share of Net Pension Liability
For the Year Ended June 30, 2023

Year Ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Municipal Employees' Retirement System:					
2015	\$ 580,186	0.226066%	\$ 276,227	210.0%	73.99%
2016	818,381	0.318877%	364,059	224.8%	66.18%
2017	804,945	0.196390%	350,864	229.4%	62.11%
2018	647,405	0.154755%	281,051	230.4%	62.49%
2019	685,551	0.165565%	302,277	226.8%	63.94%
2020	778,058	0.186198%	344,688	225.7%	64.68%
2021	850,877	0.196807%	376,166	226.2%	64.52%
2022	529,442	0.190344%	376,916	140.5%	77.82%
2023	848,445	0.204285%	376,039	225.6%	67.87%
Municipal Police Employees' Retirement System:					
2015	211,200	0.033759%	102,724	205.6%	75.10%
2016	339,524	0.054271%	115,860	293.0%	70.73%
2017	582,905	0.062191%	171,548	339.8%	66.04%
2018	516,204	0.059127%	174,955	295.0%	70.08%
2019	430,472	0.050919%	150,271	286.5%	71.89%
2020	307,605	0.033871%	105,028	292.9%	71.01%
2021	259,746	0.028104%	86,708	299.6%	70.94%
2022	182,193	0.034179%	104,271	174.7%	84.09%
2023	411,038	0.040212%	116,088	354.1%	70.80%

* The amounts presented have a measurement date of the previous fiscal year end.

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

See notes to required supplementary information.

TOWN OF ARNAUDVILLE

Schedule of Employer Contributions
For the Year Ended June 30, 2023

<u>Year Ended June 30,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractual Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
Municipal Employees' Retirement System:					
2015	\$ 71,902	\$ 71,902	\$ -	\$ 364,059	19.75%
2016	69,296	69,296	-	350,864	19.75%
2017	63,939	63,939	-	281,051	22.75%
2018	111,142	111,142	-	302,277	36.77%
2019	89,619	89,619	-	344,688	26.00%
2020	104,386	104,386	-	376,166	27.75%
2021	111,142	111,142	-	376,916	29.49%
2022	114,749	114,749	-	376,039	30.52%
2023	100,285	100,285	-	340,600	29.44%
Municipal Police Employees' Retirement System:					
2015	36,496	36,496	-	115,860	31.50%
2016	50,607	50,607	-	171,548	29.50%
2017	55,548	55,548	-	174,955	31.75%
2018	46,208	46,208	-	150,271	30.75%
2019	33,872	33,872	-	105,028	32.25%
2020	28,180	28,180	-	86,708	32.50%
2021	35,192	35,192	-	104,271	33.75%
2022	37,401	37,401	-	116,088	32.22%
2023	71,224	71,224	-	227,780	31.27%

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

See notes to required supplementary information.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Required Supplementary Information
For the Year Ended June 30, 2023

(1) Budget and Budgetary Accounting

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

1. The Town Clerk submits, no later than 15 days prior to the beginning of each fiscal year, to the Mayor and Board of Aldermen a proposed operating budget.
2. A summary of the proposed budget is published, and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
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 amended by the Board of Aldermen.

(2) Pension Plans

Changes of Assumptions - Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plans. These assumptions include the rate of investment return, mortality of plan members, rate of salary increase, rates of retirement, rates of termination, rates of disability, and various other factors that have an impact on the cost of the plans.

(3) Excess of Expenditures Over Appropriations

For the year ended June 30, 2023, the following funds had actual expenditures over appropriations, at the functional level, as follows:

Fund and Function	Budget	Actual	Excess
General Fund:			
Streets	\$ 35,040	\$ 35,085	\$ (45)
Parks and recreation	49,627	49,819	(192)

OTHER SUPPLEMENTARY INFORMATION

TOWN OF ARNAUDVILLE

Statement of Net Position

June 30, 2023

With Comparative Totals for June 30, 2022

	2023			2022 Total
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Current assets:				
Cash and interest-bearing demand deposits	\$ 1,756,576	\$ 566,644	\$ 2,323,220	\$ 1,866,382
Interest-bearing time deposits	517,837	1,045,462	1,563,299	1,514,874
Receivables, net	15,063	123,369	138,432	165,531
Internal balances	43,023	(43,023)	-	-
Due from other governmental units	80,867	-	80,867	96,743
Prepaid items	24,852	30,007	54,859	57,854
Total current assets	<u>2,438,218</u>	<u>1,722,459</u>	<u>4,160,677</u>	<u>3,701,384</u>
Noncurrent assets:				
Restricted assets:				
Cash and interest-bearing demand deposits	-	66,842	66,842	63,742
Capital assets, net	<u>2,349,579</u>	<u>4,501,606</u>	<u>6,851,185</u>	<u>7,089,361</u>
Total noncurrent assets	<u>2,349,579</u>	<u>4,568,448</u>	<u>6,918,027</u>	<u>7,153,103</u>
Total assets	<u>4,787,797</u>	<u>6,290,907</u>	<u>11,078,704</u>	<u>10,854,487</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>320,009</u>	<u>183,943</u>	<u>503,952</u>	<u>243,919</u>
LIABILITIES				
Current liabilities:				
Accounts, salaries and other payables	91,537	113,230	204,767	181,729
Unearned revenue	64,828	-	64,828	193,433
Bonds payable	-	-	-	31,000
Customers' deposits payable	-	66,842	66,842	63,742
Total current liabilities	<u>156,365</u>	<u>180,072</u>	<u>336,437</u>	<u>469,904</u>
Noncurrent liabilities:				
Compensated absences	15,634	13,157	28,791	25,241
Net pension liability	<u>707,995</u>	<u>551,489</u>	<u>1,259,484</u>	<u>711,635</u>
Total noncurrent liabilities	<u>723,629</u>	<u>564,646</u>	<u>1,288,275</u>	<u>736,876</u>
Total liabilities	<u>879,994</u>	<u>744,718</u>	<u>1,624,712</u>	<u>1,206,780</u>
DEFERRED INFLOWS OF RESOURCES	<u>22,324</u>	<u>7,491</u>	<u>29,815</u>	<u>325,052</u>
NET POSITION				
Net investment in capital assets	2,349,579	4,410,606	6,760,185	6,952,861
Restricted for sales tax dedications	1,442,919	-	1,442,919	1,240,918
Unrestricted	<u>412,990</u>	<u>1,312,035</u>	<u>1,725,025</u>	<u>1,372,795</u>
Total net position	<u>\$ 4,205,488</u>	<u>\$ 5,722,641</u>	<u>\$ 9,928,129</u>	<u>\$ 9,566,574</u>

TOWN OF ARNAUDVILLE

Balance Sheet
General and Special Revenue Funds

June 30, 2023

With Comparative Amounts for June 30, 2022

	General		1969 Sales Tax Special Revenue		1982 Sales Tax Special Revenue	
	2023	2022	2023	2022	2023	2022
ASSETS						
Cash and interest-bearing demand deposits	\$ 654,525	\$ 505,356	\$ 402,315	\$ 285,732	\$ 680,417	\$ 478,257
Interest-bearing time deposits	-	-	235,298	234,783	122,676	122,366
Receivables:						
Other	14,562	50,001	41	-	-	-
Interest	-	-	219	219	170	171
Due from other governmental units	3,311	3,864	38,778	46,440	38,778	46,439
Due from other funds	71,738	116,023	14,209	45,869	398	4,590
Prepaid items	24,852	26,283	-	-	-	-
Total assets	<u>\$ 768,988</u>	<u>\$ 701,527</u>	<u>\$ 690,860</u>	<u>\$ 613,043</u>	<u>\$ 842,439</u>	<u>\$ 651,823</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 30,922	\$ 15,997	\$ 60,615	\$ 10,393	\$ -	\$ -
Unearned revenue	64,828	193,433	-	-	-	-
Due to other funds	398	28,971	15,556	5,659	14,209	7,896
Total liabilities	<u>96,148</u>	<u>238,401</u>	<u>76,171</u>	<u>16,052</u>	<u>14,209</u>	<u>7,896</u>
Fund balances -						
Nonspendable (prepaid items)	24,852	26,283	-	-	-	-
Restricted:						
Sales tax dedications	-	-	614,689	596,991	828,230	643,927
Unassigned	647,988	436,843	-	-	-	-
Total fund balances	<u>672,840</u>	<u>463,126</u>	<u>614,689</u>	<u>596,991</u>	<u>828,230</u>	<u>643,927</u>
Total liabilities and fund balances	<u>\$ 768,988</u>	<u>\$ 701,527</u>	<u>\$ 690,860</u>	<u>\$ 613,043</u>	<u>\$ 842,439</u>	<u>\$ 651,823</u>

TOWN OF ARNAUDVILLE
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2023
With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023			Variance with Final Budget Positive (Negative)	2022 Actual
	Budget		Actual		
	Original	Final			
Taxes:					
Ad valorem	\$ 40,955	\$ 45,591	\$ 46,308	\$ 717	\$ 40,249
Payment in lieu of taxes	4,254.00	4,452	9,248	4,796	4,254
Franchise - electric, TV, etc.	68,030	67,805	64,312	(3,493)	71,217
Total taxes	<u>113,239</u>	<u>117,848</u>	<u>119,868</u>	<u>2,020</u>	<u>115,720</u>
Occupational licenses	<u>82,505</u>	<u>76,455</u>	<u>115,408</u>	<u>38,953</u>	<u>123,396</u>
Intergovernmental:					
Federal grant - ARPA	193,433	314,831	322,353	7,522	-
State of Louisiana -					
Highway maintenance revenue	3,590	3,590	3,590	-	3,590
Beer taxes	4,380	3,965	3,941	(24)	4,403
Poker machines	32,160	29,840	29,812	(28)	31,890
Other	-	-	-	-	16,108
Total intergovernmental	<u>233,563</u>	<u>352,226</u>	<u>359,696</u>	<u>7,470</u>	<u>55,991</u>
Fines and forfeits	<u>8,710</u>	<u>14,570</u>	<u>15,144</u>	<u>574</u>	<u>8,530</u>
Miscellaneous:					
Rent income	13,422	15,820	17,150	1,330	16,223
Recreation department income	-	22,000	24,202	2,202	16,961
Miscellaneous	12,692	20,925	15,878	(5,047)	6,904
Total miscellaneous	<u>26,114</u>	<u>58,745</u>	<u>57,230</u>	<u>(1,515)</u>	<u>40,088</u>
Total revenues	<u>\$464,131</u>	<u>\$ 619,844</u>	<u>\$ 667,346</u>	<u>\$ 47,502</u>	<u>\$ 343,725</u>

TOWN OF ARNAUDVILLE
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2023
With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023			Variance with Final Budget Positive (Negative)	2022 Actual
	Actual		Actual		
	Original	Final			
Current:					
General government -					
Council salaries	\$ 21,000	\$ 21,000	\$ 20,920	\$ 80	\$ 21,000
Mayor's compensation	16,000	16,000	15,417	583	15,455
Clerk and other salaries	73,000	75,335	75,321	14	75,520
Payroll taxes and retirement	24,100	26,100	24,786	1,314	10,003
Worker's compensation insurance	700	1,700	1,653	47	1,009
Insurance	52,600	51,145	47,905	3,240	26,781
Utilities	17,000	12,615	13,315	(700)	11,282
Telephone	12,400	13,000	12,732	268	9,178
Professional fees	43,680	40,170	39,967	203	39,570
Computer related fees and software	1,120	2,030	3,635	(1,605)	1,367
Office supplies	7,350	2,600	549	2,051	9,452
Meetings and conventions	10,000	4,265	3,550	715	7,456
Travel	4,400	2,440	-	2,440	3,140
Dues	4,200	2,200	-	2,200	4,788
Tax roll and assessor's fee	2,700	2,777	2,777	-	2,701
Coffee and cokes	1,400	500	127	373	1,215
Coroner/medical	1,200	3,360	3,000	360	1,000
Repairs and maintenance	11,000	7,000	9,503	(2,503)	7,719
Miscellaneous	12,815	17,840	16,750	1,090	14,901
Postage	-	2,560	3,289	(729)	554
Total general government	<u>316,665</u>	<u>304,637</u>	<u>295,196</u>	<u>9,441</u>	<u>264,091</u>
Public safety - police -					
Salaries	126,000	131,000	130,991	9	130,494
Payroll taxes and retirement	37,200	36,000	31,425	4,575	43,240
Worker's compensation insurance	1,000	800	-	800	645
Insurance	905	970	824	146	1,496
Supplies	6,650	12,275	10,141	2,134	7,162
Prisoners meals and medical	500	500	254	246	110
Uniforms	3,310	3,310	4,095	(785)	2,944
Auto expenditures	30,250	38,755	38,580	175	35,549
Telephone	10,000	8,000	7,699	301	8,633
Repairs and maintenance	3,500	3,500	4,862	(1,362)	3,509
Miscellaneous	18,950	11,810	8,458	3,352	9,760
Training	-	-	2,786	(2,786)	2,000
Total public safety - police	<u>238,265</u>	<u>246,920</u>	<u>240,115</u>	<u>6,805</u>	<u>245,542</u>

(continued)

TOWN OF ARNAUDVILLE
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2023
With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023		Actual	Variance with Final Budget Positive (Negative)	2022 Actual
	Budget				
	Original	Final			
Streets -					
Supplies	8,500	2,640	2,543	97	3,850
Equipment and street maintenance	7,000	31,000	31,291	(291)	6,510
Miscellaneous	-	1,400	1,251	149	296
Total streets	<u>15,500</u>	<u>35,040</u>	<u>35,085</u>	<u>(45)</u>	<u>10,656</u>
Community center -					
Supplies	-	50	43	7	781
Repairs and maintenance	-	3,000	2,323	677	1,539
Utilities	-	9,945	9,790	155	8,591
Miscellaneous	-	-	-	-	75
Total community center	<u>-</u>	<u>12,995</u>	<u>12,156</u>	<u>839</u>	<u>10,986</u>
Parks and recreation -					
Coach's salary	14,400	14,400	14,400	-	14,966
Payroll taxes	1,102	1,102	1,102	-	1,102
Worker's compensation insurance	875	1,100	956	144	972
Repairs and maintenance	5,500	9,000	8,415	585	3,947
Uniforms and supplies	18,000	16,285	16,017	268	12,471
Equipment	-	3,405	6,839	(3,434)	2,264
Insurance	1,661	1,775	1,513	262	12
Miscellaneous	2,165	2,560	577	1,983	2,882
Total parks and recreation	<u>43,703</u>	<u>49,627</u>	<u>49,819</u>	<u>(192)</u>	<u>38,616</u>
Capital outlay:					
General government -					
Equipment	12,000	10,494	10,494	-	29,755
Police -					
Equipment	-	6,356	4,827	1,529	-
Streets -					
Drainage improvements	13,000	-	-	-	17,125
Infrastructure	-	9,973	9,940	33	99,022
Parks and recreation -					
Park improvements	-	-	-	-	7,200
Total capital outlay	<u>25,000</u>	<u>26,823</u>	<u>25,261</u>	<u>1,562</u>	<u>153,102</u>
Total expenditures	<u>\$ 639,133</u>	<u>\$ 676,042</u>	<u>\$ 657,632</u>	<u>\$ 18,410</u>	<u>\$ 722,993</u>

TOWN OF ARNAUDVILLE
1969 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2023
With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023		Actual	Variance with Final Budget Positive (Negative)	2022 Actual
	Budget				
	Original	Final			
Revenues:					
Taxes	\$ 712,000	\$ 406,000	\$ 420,130	\$ 14,130	\$ 405,714
Intergovernmental	18,000	18,230	17,450	(780)	12,000
Miscellaneous	290	-	8,716	8,716	691
Total revenues	<u>730,290</u>	<u>424,230</u>	<u>446,296</u>	<u>22,066</u>	<u>418,405</u>
Expenditures:					
General government -					
Bank charges	150	150	-	150	1
Collection fees	10,770	5,465	4,096	1,369	3,569
Professional fees	32,480	17,510	17,422	88	17,169
Total general government	<u>43,400</u>	<u>23,125</u>	<u>21,518</u>	<u>1,607</u>	<u>20,739</u>
Public safety -					
Police					
Salaries	198,000	210,000	209,736	264	171,569
Supplemental pay	18,000	18,230	17,450	780	12,000
Worker's compensation	16,000	19,000	18,348	652	16,279
Payroll taxes and retirement	77,000	63,674	59,790	3,884	34,082
Contract labor	10,000	6,360	6,360	-	29,920
Miscellaneous	33,025	551	551	-	-
Total public safety	<u>352,025</u>	<u>317,815</u>	<u>312,235</u>	<u>5,580</u>	<u>263,850</u>
Capital outlay	-	85,000	86,645	(1,645)	-
Total expenditures	<u>395,425</u>	<u>425,940</u>	<u>420,398</u>	<u>5,542</u>	<u>284,589</u>
Excess (deficiency) of revenues over expenditures	334,865	(1,710)	25,898	27,608	133,816
Other financing sources (uses):					
Transfers out	(200,000)	(8,500)	(8,200)	(300)	(100,000)
Net change in fund balance	134,865	(10,210)	17,698	27,308	33,816
Fund balance, beginning	596,991	596,991	596,991	-	563,175
Fund balance, ending	<u>\$ 731,856</u>	<u>\$ 586,781</u>	<u>\$ 614,689</u>	<u>\$ 27,308</u>	<u>\$ 596,991</u>

TOWN OF ARNAUDVILLE
1982 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2023
With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023			Variance with Final Budget Positive (Negative)	2022 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$ 356,000	\$ 408,500	\$ 420,131	\$ 11,631	\$ 405,714
Miscellaneous	290	9,705	9,275	(430)	1,074
Total revenues	<u>356,290</u>	<u>418,205</u>	<u>429,406</u>	<u>11,201</u>	<u>406,788</u>
Expenditures:					
General government -					
Collection fees	5,385	4,465	4,096	369	3,569
Professional fees	13,440	12,360	12,298	62	7,476
Total general government	<u>18,825</u>	<u>16,825</u>	<u>16,394</u>	431	11,045
Streets	29,000	32,760	32,601	159	28,607
Culture and recreation	4,025	4,525	4,308	217	3,663
Capital outlay	-	-	-	-	-
Total expenditures	<u>51,850</u>	<u>54,110</u>	<u>53,303</u>	<u>807</u>	<u>43,315</u>
Excess (deficiency) of revenues over expenditures	304,440	364,095	376,103	12,008	363,473
Other financing sources (uses):					
Transfers out	<u>(200,000)</u>	<u>(200,000)</u>	<u>(191,800)</u>	<u>8,200</u>	<u>(300,000)</u>
Net change in fund balance	104,440	164,095	184,303	20,208	63,473
Fund balance, beginning	<u>643,927</u>	<u>643,927</u>	<u>643,927</u>	-	<u>580,454</u>
Fund balance, ending	<u>\$ 748,367</u>	<u>\$ 808,022</u>	<u>\$ 828,230</u>	<u>\$ 20,208</u>	<u>\$ 643,927</u>

TOWN OF ARNAUDVILLE
Street Improvement Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2023
With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023		Actual	Variance with Final Budget Positive (Negative)	2022 Actual
	Budget				
	Original	Final			
Revenues:					
Miscellaneous	\$ 100	\$ 100	\$ 30	\$ (70)	\$ -
Expenditures	-	-	-	-	2
Excess of revenues over expenditures	100	100	30	(70)	(2)
Other financing uses:					
Transfers in	-	-	-	-	-
Net change in fund balance	100	100	30	(70)	(2)
Fund balance, beginning	<u>13,729</u>	<u>13,729</u>	<u>13,729</u>	-	<u>13,731</u>
Fund balance, ending	<u>\$ 13,829</u>	<u>\$ 13,829</u>	<u>\$ 13,759</u>	<u>\$ (70)</u>	<u>\$ 13,729</u>

TOWN OF ARNAUDVILLE
2% Set Aside Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2023
With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023			Variance with Final Budget Positive (Negative)	2022 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Miscellaneous	\$ 90	\$ 90	\$ 140	\$ 50	\$ 271
Expenditures:					
Capital outlay	-	-	-	-	99,500
Excess (deficiency) of revenues over expenditures	90	90	140	50	(99,229)
Other financing sources (uses):					
Transfers in	45,090	52,748	45,146	(7,602)	41,438
Total other financing sources (uses)	45,090	52,748	45,146	(7,602)	41,438
Net change in fund balance	45,180	52,838	45,286	(7,552)	(57,791)
Fund balance, beginning	107,046	107,046	107,046	-	164,837
Fund balance, ending	<u>\$ 152,226</u>	<u>\$ 159,884</u>	<u>\$ 152,332</u>	<u>\$ (7,552)</u>	<u>\$ 107,046</u>

TOWN OF ARNAUDVILLE
LCDBG Grant Projects Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2023
With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023			Variance with Final Budget Positive (Negative)	2022
	Budget		Actual		
	Original	Final			
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures	-	-	-	-	-
Net change in fund balance	-	-	-	-	-
Fund balance, beginning	3	3	3	-	3
Fund balance, ending	\$ 3	\$ 3	\$ 3	\$ -	\$ 3

TOWN OF ARNAUDVILLE
Enterprise Fund
Utility Fund

Comparative Departmental Statement of Revenues and Expenses
Years Ended June 30, 2023 and 2022

	Totals		Gas	
	2023	2022	2023	2022
Operating revenues:				
Charges for services -				
Billings to customers	\$ 1,020,890	\$ 986,387	\$ 365,471	\$ 385,007
Delinquent charges	27,475	22,828	15,071	11,610
Other fees	19,691	22,254	13,374	17,942
Total operating revenues	<u>1,068,056</u>	<u>1,031,469</u>	<u>393,916</u>	<u>414,559</u>
Operating expenses:				
Salaries	267,866	248,439	68,958	63,359
Payroll taxes and retirement	100,395	121,560	19,920	27,846
Gas purchases	105,351	140,033	105,351	140,033
Supplies, repairs and maintenance	242,797	172,085	82,939	80,929
Professional fees	32,792	29,791	3,074	2,189
Bad debts	6,319	2,761	2,267	1,080
Telephone	4,782	7,493	3,224	3,205
Depreciation	312,552	288,155	15,850	14,882
Insurance	64,452	46,070	19,311	4,148
Utilities	41,366	30,292	2,216	1,994
Fire department expense	3,072	3,072	-	-
Office supplies	11,692	14,941	-	-
Miscellaneous	37,482	33,156	11,086	9,041
Allocation of administrative expense	-	-	65,161	78,716
Total operating expenses	<u>1,230,918</u>	<u>1,137,848</u>	<u>399,357</u>	<u>427,422</u>
Operating income (loss)	<u>(162,862)</u>	<u>(106,379)</u>	<u>\$ (5,441)</u>	<u>\$ (12,863)</u>
Nonoperating revenues (expenses):				
Non-employer pension contribution	9,456	9,090		
Interest income	2,237	2,498		
Ad valorem taxes/Housing Authority in lieu of taxes	64,235	54,126		
Interest expense	(980)	(2,546)		
Total nonoperating revenues (expenses)	<u>74,948</u>	<u>63,168</u>		
Loss before contributions and transfers	<u>(87,914)</u>	<u>(43,211)</u>		
Capital contributions	<u>58,526</u>	<u>15,296</u>		
Transfers:				
Transfer to 2% Set Aside Fund	<u>(45,146)</u>	<u>(41,438)</u>		
Total transfers	<u>(45,146)</u>	<u>(41,438)</u>		
Change in net position	<u>(74,534)</u>	<u>(69,353)</u>		
Net position, beginning	<u>5,797,175</u>	<u>5,866,528</u>		
Net position, ending	<u>\$ 5,722,641</u>	<u>\$ 5,797,175</u>		

Water		Sewer		Sanitation		Administration	
2023	2022	2023	2022	2023	2022	2023	2022
\$ 443,247	\$ 401,967	\$ 211,522	\$ 198,795	\$ 650	\$ 618	\$ -	\$ -
8,731	7,878	3,657	3,326	16	14	-	-
6,317	4,312	-	-	-	-	-	-
<u>458,295</u>	<u>414,157</u>	<u>215,179</u>	<u>202,121</u>	<u>666</u>	<u>632</u>	<u>-</u>	<u>-</u>
93,134	83,791	44,494	40,274	-	-	61,280	61,015
31,303	40,650	22,574	16,943	-	-	26,598	36,121
-	-	-	-	-	-	-	-
91,186	61,187	67,994	28,092	-	-	678	1,877
3,074	2,189	3,074	2,188	-	-	23,570	23,225
2,741	1,120	1,311	561	-	-	-	-
-	-	-	-	-	-	1,558	4,288
150,145	136,089	129,072	115,753	-	-	17,485	21,431
18,035	13,700	9,659	8,004	-	-	17,447	20,218
17,239	13,010	7,193	5,085	-	-	14,718	10,203
3,072	3,072	-	-	-	-	-	-
-	-	-	-	-	-	11,692	14,941
3,899	851	632	-	20,215	20,730	1,650	2,534
<u>75,810</u>	<u>78,639</u>	<u>35,595</u>	<u>38,378</u>	<u>110</u>	<u>120</u>	<u>(176,676)</u>	<u>(195,853)</u>
<u>489,638</u>	<u>434,298</u>	<u>321,598</u>	<u>255,278</u>	<u>20,325</u>	<u>20,850</u>	<u>-</u>	<u>-</u>
<u>\$ (31,343)</u>	<u>\$ (20,141)</u>	<u>\$ (106,419)</u>	<u>\$ (53,157)</u>	<u>\$ (19,659)</u>	<u>\$ (20,218)</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF ARNAUDVILLE
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
(Unaudited)
June 30, 2023 and 2022

Records maintained by the Town indicated the following number of customers were being serviced during the months of June 30, 2023 and 2022:

<u>Department</u>	<u>2023</u>	<u>2022</u>
Gas (metered)	627	625
Water (metered)	1,269	1,261
Sewer	564	570
Sanitation	28	26

TOWN OF ARNAUDVILLE
Justice System Funding Schedule - Collecting/Disbursing Entity
Year Ended June 30, 2022

	First Six Month Period Ended <u>12/31/2021</u>	Second Six Month Period Ended <u>6/30/2022</u>
Beginning Balance of Amounts Collected	\$ 80	\$ 34
Add: Collections -		
Civil Fees	-	-
Bond Fees	-	1,275
Asset Forfeiture/Sale	-	-
Pre-Trial Diversion Program Fees	-	-
Criminal Court Costs/Fees	2,650	12,458
Criminal Fines - Contempt	-	-
Criminal Fines - Other	38	63
Restitution	-	-
Probation/Parole/Supervision Fees	-	-
Service/Collection Fees	-	-
Interest Earnings on Collected Balances	-	-
Other	-	-
Subtotal Collections	<u>2,688</u>	<u>13,796</u>
Less: Disbursements to Governments and Nonprofits -		
Acadiana Criminalistics Lab - Criminal Fines	60	90
Louisiana Commission on Law Enforcement - Criminal Fines	90	676
Louisiana State Treasurer CMIS - Criminal Fines	27	124
Louisiana Supreme Court - Criminal Fines	14	47
LA Dept of Health & Hospitals THI/SCI - Criminal Fines	75	130
Less: Amounts Retained by Collecting Agency		
Amounts "Self-Disbursed" to Collecting Agency - Criminal Fines Other	2,468	12,715
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies -		
Bond Fee Refunds	-	-
Subtotal Disbursements/Retainage	<u>2,734</u>	<u>13,782</u>
Ending Balance of Amounts Collected but not Disbursed/Retained	<u>\$ 34</u>	<u>\$ 48</u>

**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 Todd Meche, Mayor
and members of the Board of Aldermen
Town of Arnaudville, 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 the *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Arnaudville, Louisiana (Town), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated September 6, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Arnaudville, Louisiana'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. We did identify certain deficiencies in internal control, described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as items 2023-001 and 2023-002 that we consider to be material weaknesses.

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Town of Arnaudville, Louisiana'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 and described in the accompanying schedule of findings and questioned cost. The Town's response was not subjected to the other 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 results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, 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

Lafayette, Louisiana
September 6, 2023

TOWN OF ARNAUDVILLE, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 2023

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

A. Internal Control Over Financial Reporting

2023-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

Condition: The Town of Arnaudville did not have adequate segregation of functions within the accounting system.

Criteria: AU-C §315.04, *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement*, defines internal control as follows:

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

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

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

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

Management's Corrective Action Plan: The Town has determined that it is not cost effective to achieve complete segregation of duties within the accounting department. The Mayor and Town Clerk implemented policies and procedures where the Mayor or Town Clerk reviews and approves reports and reconciliations done by the employees in the accounting department.

TOWN OF ARNAUDVILLE, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended June 30, 2023

2023-002 Application of Generally Accepted Accounting Principles (GAAP)

Fiscal year finding initially occurred: 2022

Condition: Management and staff lack the expertise and/or experience in the selection and application of generally accepted accounting principles, as applicable to governmental entities in the financial statement preparation process.

Criteria: The Town's internal control over financial reporting includes those policies and procedures that pertain to its ability to record, process, summarize, and report financial data consistent with the assertions embodied in the financial statement, including the ability of its management and staff to detect potential misstatements that may exist in the financial statements and related disclosures.

Cause: The Town does not have personnel with the necessary qualifications to perform this function.

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

Recommendation: The Town should either hire the personnel needed or outsource this task to ensure the financial statements and transactions are in accordance with GAAP.

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

B. Compliance Findings

There are no findings to report under this section.

TOWN OF ARNAUDVILLE, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended June 30, 2023

Part II: Prior Year Findings

A. Internal Control Over Financial Reporting

2022-001 Inadequate Segregation of Functions

Fiscal year finding initially occurred: Unknown

Condition: The Town of Arnaudville did not have adequate segregation of functions within the accounting system.

Recommendation: Management should reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recordkeeping; and (4) reconciliation.

Current Status: Unresolved. See item 2023-001.

2022-002 Inadequate Controls Over Collection and Accounting for Utility Accounts Receivable

Fiscal year finding initially occurred: 2021

Condition: The Town of Arnaudville did not have adequate control policies and procedures over collection and accounting for utility customer accounts receivable.

Recommendation: The Town should implement internal control policies and procedures relative to cash collection and accounting for utility customer accounts receivable. The Town should monitor the internal controls to ensure they are functioning properly.

Current Status: Resolved.

2022-003 Application of Generally Accepted Accounting Procedures (GAAP)

Fiscal year finding initially occurred: 2022

Condition: Management and staff lack the expertise and/or experience in the selections and application of generally accepted accounting principles, as applicable to government entities in the financial statement preparation process.

Recommendation: The Town should either hire the personnel needed or outsource this task to ensure the financial statements and transactions are in accordance with GAAP.

Current Status: Unresolved. See item 2023-002.

B. Compliance Findings

There are no findings to report under this section.

Town of Arnaudville
Arnaudville, Louisiana

Agreed-Upon Procedures Report

Year Ended June 30, 2023

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Town of Arnaudville
and the Louisiana Legislative Auditor

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

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. We obtained and inspected the Town's written policies and procedures and observed that they address each of the following categories and subcategories if applicable to public funds and the Town'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, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- 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) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- h) **Credit Cards (and debit cards, fuel cards, Purchase 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).
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 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 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) **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Board or Finance Committee

2. We obtained and inspected 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) Observed 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) Observed 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.
 - c) Obtained the prior year audit report and observed 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, observed 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.
 - d) Observed the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Bank Reconciliations

3. We obtained a listing of the entity's bank accounts for the fiscal period from management and management's representation that the listing is complete. We asked management to identify the entity's main operating account. We selected the entity's main operating account and randomly selected 4 additional accounts (or all accounts if less than 5). We randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for selected accounts, and observed that:
 - a) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations included 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 electronic fund transfers)

4. We obtained 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. We randomly selected 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, we obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquired of employees about their job duties) at each collection location, and observed 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 verifies the reconciliation.
6. We obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. We observed the bond or insurance policy for theft was enforced during the fiscal period.

7. We randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected 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.* We obtained supporting documentation for each of the 10 deposits and:
 - a) Observed that receipts are sequentially pre-numbered.
 - b) Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Traced the deposit slip total to the actual deposit per the bank statement.
 - d) Observed 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) Traced the actual deposit per the bank statement to the general ledger.

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

8. We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing was complete. We randomly selected 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, we obtained a listing of those employees involved with non-payroll purchasing and payment functions. We obtained 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 we observed 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.
 - e) Only employees/ officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
10. For each location selected under #8 above, we obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and we obtained management's representation that the population is complete. We randomly selected 5 disbursements for each location, we obtained supporting documentation for each transaction and:
 - a) We observed whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) We observed that the disbursement documentation includes evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #9, as applicable.

11. Using the entity's main operating account and the month selected in "Bank Reconciliations" procedure #3, we randomly selected 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observed that each electronic disbursement was:
 - a) Approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy.
 - b) Approved by the required number of authorized signers per the entity's policy.

Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

12. We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. We obtained management's representation that the listing is complete.
13. Using the listing prepared by management, we randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, we randomly selected one monthly bank statement), we obtained supporting documentation, and:
 - a) We observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
 - b) We observed that finance charges and late fees were not assessed on the selected statements.
14. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, we randomly selected 10 transactions (or all transactions if less than 10) from each statement, and obtained supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, we observed 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, we described the nature of the transaction and noted 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)

15. We obtained 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. We randomly selected 5 reimbursements, we obtained 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, we observed 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, we observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) We observed that each reimbursement is supported by documentation of the business/public purpose (for meal charges, we observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1g).

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

Contracts

- 16. We obtained 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.* We obtained management's representation that the listing is complete. We randomly selected 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - a) We observed 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) We observed 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), we observed 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) We randomly selected one payment from the fiscal period for each of the 5 contracts, we obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

- 17. We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected 5 employees/officials, we obtained related paid salaries and personnel files, and we agreed paid salaries to authorized salaries/pay rates in the personnel files.
- 18. We randomly selected one pay period during the fiscal period. For the 5 employees/officials selected under #17 above, we obtained attendance records and leave documentation for the pay period, and:
 - a) We observed that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) We observed that supervisors approved the attendance and leave of the selected employees/officials.
 - c) We observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) We observed the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
- 19. We obtained a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. We randomly selected two employees/officials, we obtained related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. We agreed the hours to the employee or officials' cumulative leave records, agreed the pay rates to the employee/officials' authorized pay rates in the employee or officials' personnel files, and agreed the termination payment to entity policy.
- 20. We obtained 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

21. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, we obtained ethics documentation from management, and:
- a) We observed that the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - b) We observed whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
22. We inquired and/or observed whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Debt Service

The Town did not issue debt during the fiscal year nor have outstanding debt at the end of the fiscal period; therefore, this section was not tested.

23. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
24. 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

25. We obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing was complete. We selected all misappropriations on the listing, obtained supporting documentation, and observed that the Town reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
26. Observed 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

27. We performed the following procedures, **verbally discussed the results with management, and reported "We performed the procedure and discussed the results with management."**
- a) We obtained and inspected 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 observed evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
 - b) We obtained and inspected the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquired of personnel responsible for testing/verifying backup restoration) and observed evidence that the test/verification was successfully performed within the past 3 months.

- c) We obtained a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. We randomly selected 5 computers and observed 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.
28. We randomly selected 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19 and observed evidence that the selected terminated employees have been removed or disabled from the network.

Prevention of Sexual Harassment

29. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, we obtained sexual harassment training documentation from management, and observed the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
30. We observed 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).
31. We obtained the entity's annual sexual harassment report for the current fiscal period, observed that the report was dated on or before February 1, and observed 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.

Exceptions:

No exceptions were found as a result of applying the procedures listed above except:

Board or Finance Committee

1. The Town did not provide evidence that the board received written updates on the progress of resolving prior year findings and recommendations.

Bank Reconciliation

2. There was no evidence of management researching outstanding items greater than twelve months.

Credit Cards/Debit Cards/Fuel Cards/Purchase Cards

3. There was no evidence that the monthly credit card statements were being reviewed and approved by someone other than the card holders. One transaction did not list a business purpose and one transaction did not contain an itemized receipt.

Travel and Travel-Related Expense Reimbursements

4. There was no evidence that someone was reviewing and approving travel and travel related reimbursements prior to the checks being issued.

Management's Response:

Management concurs with the exceptions noted 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 from 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

Lafayette, Louisiana
September 6, 2023