

**TOWN OF DELCAMBRE, LOUISIANA**

Financial Statements

Year Ended April 30, 2018

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Delcambre (Town), Louisiana, as of and for the year ended April 30, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of April 30, 2018, 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.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 33 through 36 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.

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

#### *Other Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Town's basic financial statements. The other supplementary information on pages 41 through 46 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other supplementary information section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2018, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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's internal control over financial reporting and compliance.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Abbeville, Louisiana  
December 28, 2018

## **BASIC FINANCIAL STATEMENTS**

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

TOWN OF DELCAMBRE, LOUISIANA

Statement of Net Position  
April 30, 2018

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and interest-bearing deposits	\$ 584,991	\$ 551,048	\$ 1,136,039
Receivables, net	1,957	40,220	42,177
Due from other governmental units	32,261	-	32,261
Prepaid expenses	16,772	1,695	18,467
Restricted assets -			
Cash and interest-bearing deposits	-	94,324	94,324
Capital assets -			
Non-depreciable	467,819	1,644,182	2,112,001
Depreciable, net of accumulated depreciation	<u>1,542,326</u>	<u>4,125,514</u>	<u>5,667,840</u>
Total assets	<u>2,646,126</u>	<u>6,456,983</u>	<u>9,103,109</u>
<b>LIABILITIES</b>			
Accounts and other payables	25,417	38,274	63,691
Accrued interest payable	98	-	98
Compensated absences payable	7,120	2,112	9,232
Customers' deposits	-	94,324	94,324
Internal balances	(75,979)	75,979	-
Long-term liabilities -			
Portion due or payable within one year -			
Revenue bonds payable	4,482	-	4,482
Portion due or payable after one year -			
Revenue bonds payable	<u>64,183</u>	<u>-</u>	<u>64,183</u>
Total liabilities	<u>25,321</u>	<u>210,689</u>	<u>236,010</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,941,480	5,769,696	7,711,176
Restricted for tax dedications	661,731	-	661,731
Unrestricted	<u>17,594</u>	<u>476,598</u>	<u>494,192</u>
Total net position	<u>\$ 2,620,805</u>	<u>\$ 6,246,294</u>	<u>\$ 8,867,099</u>

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

TOWN OF DELCAMBRE, LOUISIANA

Statement of Activities  
For the Year Ended April 30, 2018

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	\$ 232,275	\$ 188,849	\$ -	\$ -	\$ (43,426)	\$ -	\$ (43,426)
Public safety:							
Police	288,076	51,647	29,000	-	(207,429)	-	(207,429)
Fire	129,089	42,489	-	-	(86,600)	-	(86,600)
Public works	327,856	6,970	-	-	(320,886)	-	(320,886)
Total governmental activities	<u>977,296</u>	<u>289,955</u>	<u>29,000</u>	<u>-</u>	<u>(658,341)</u>	<u>-</u>	<u>(658,341)</u>
Business-type activities:							
Gas	179,848	151,014	-	-	-	(28,834)	(28,834)
Water	284,434	252,984	-	47,825	-	16,375	16,375
Sewer	282,348	217,522	-	-	-	(64,826)	(64,826)
Administrative	71,827	16,223	-	-	-	(55,604)	(55,604)
Total business-type activities	<u>818,457</u>	<u>637,743</u>	<u>-</u>	<u>47,825</u>	<u>-</u>	<u>(132,889)</u>	<u>(132,889)</u>
Total	<u>\$ 1,795,753</u>	<u>\$ 927,698</u>	<u>\$ 29,000</u>	<u>\$ 47,825</u>	<u>(658,341)</u>	<u>(132,889)</u>	<u>(791,230)</u>
General revenues:							
Taxes -							
Property taxes, levied for general purposes					41,186	-	41,186
Sales and use taxes, levied for general purposes					230,570	-	230,570
Other taxes					37,358	-	37,358
Interest income					28	654	682
Miscellaneous					136,491	-	136,491
Total general revenues					<u>445,633</u>	<u>654</u>	<u>446,287</u>
Change in net position					(212,708)	(132,235)	(344,943)
Net position - beginning					<u>2,833,513</u>	<u>6,378,529</u>	<u>9,212,042</u>
Net position - ending					<u>\$ 2,620,805</u>	<u>\$ 6,246,294</u>	<u>\$ 8,867,099</u>

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

**FUND FINANCIAL STATEMENTS (FFS)**

TOWN OF DELCAMBRE, LOUISIANA

Balance Sheet  
Governmental Funds  
April 30, 2018

	<u>General</u>	<u>Sales Tax</u>	<u>Special</u>	<u>Other Governmental Funds</u>	<u>Total</u>
ASSETS					
Cash	\$ 67,209	\$ 52,668	\$ 2,379	\$ 35,507	\$ 157,763
Interest-bearing deposits	-	325,942	101,286	-	427,228
Receivables:					
Ad valorem tax	1,587	-	-	-	1,587
Sales tax	-	32,261	-	-	32,261
Other	370	-	-	-	370
Due from other funds	40,670	70,877	121,989	-	233,536
Prepaid expenses	16,167	393	212	-	16,772
Total assets	<u>\$ 126,003</u>	<u>\$ 482,141</u>	<u>\$ 225,866</u>	<u>\$ 35,507</u>	<u>\$ 869,517</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 6,910	\$ 8,767	\$ 4,275	\$ -	\$ 19,952
Accrued expenses	3,658	1,427	380	-	5,465
Due to other funds	91,228	60,478	5,351	500	157,557
Total liabilities	<u>101,796</u>	<u>70,672</u>	<u>10,006</u>	<u>500</u>	<u>182,974</u>
Fund balances:					
Nonspendable	16,167	393	212	-	16,772
Restricted	-	411,076	215,648	35,007	661,731
Unassigned	8,040	-	-	-	8,040
Total fund balances	<u>24,207</u>	<u>411,469</u>	<u>215,860</u>	<u>35,007</u>	<u>686,543</u>
Total liabilities and fund balances	<u>\$ 126,003</u>	<u>\$ 482,141</u>	<u>\$ 225,866</u>	<u>\$ 35,507</u>	<u>\$ 869,517</u>

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

TOWN OF DELCAMBRE, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position

April 30, 2018

Total fund balances for governmental funds	\$ 686,543
Capital assets, net	2,010,145
Long-term liabilities:	
Debt payable	(68,665)
Compensated absences	(7,120)
Accrued interest on debt	<u>(98)</u>
Net position of governmental activities	<u>\$ 2,620,805</u>

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

TOWN OF DELCAMBRE, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances -  
 Governmental Funds  
 For the Year Ended April 30, 2018

	General	Sales Tax	Special	Other Governmental Funds	Total
Revenues:					
Taxes	\$ 41,186	\$ 230,570	\$ 37,358	\$ -	\$ 309,114
Licenses and permits	62,619	-	-	-	62,619
Intergovernmental	-	6,970	42,489	-	49,459
Charges for services	126,230	-	-	-	126,230
Fines and forfeiture	51,647	-	-	-	51,647
Interest	28	-	-	-	28
Other	<u>158,383</u>	<u>1,425</u>	<u>5,683</u>	<u>-</u>	<u>165,491</u>
Total revenues	<u>440,093</u>	<u>238,965</u>	<u>85,530</u>	<u>-</u>	<u>764,588</u>
Expenditures:					
Current -					
General government	132,653	80,272	-	-	212,925
Public safety	274,796	-	74,168	-	348,964
Public works	101,764	174,333	-	-	276,097
Capital outlays	1,742	871	871	-	3,484
Debt service:					
Principal	4,315	-	-	-	4,315
Interest	<u>3,011</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,011</u>
Total expenditures	<u>518,281</u>	<u>255,476</u>	<u>75,039</u>	<u>-</u>	<u>848,796</u>
(Deficiency) excess of revenues over expenditures	<u>(78,188)</u>	<u>(16,511)</u>	<u>10,491</u>	<u>-</u>	<u>(84,208)</u>
Fund balances, beginning	<u>102,395</u>	<u>427,980</u>	<u>205,369</u>	<u>35,007</u>	<u>770,751</u>
Fund balances, ending	<u>\$ 24,207</u>	<u>\$ 411,469</u>	<u>\$ 215,860</u>	<u>\$ 35,007</u>	<u>\$ 686,543</u>

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

TOWN OF DELCAMBRE, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended April 30, 2018

Net change in fund balances of governmental funds		\$ (84,208)
Capital assets:		
Capital outlay	\$ 3,484	
Depreciation expense	<u>(131,395)</u>	(127,911)
Principal payments on long term debt		4,315
Accrued interest		4
Accrued compensated absences		<u>(4,908)</u>
Change in net position of governmental activities		<u>\$ (212,708)</u>

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

TOWN OF DELCAMBRE, LOUISIANA

Proprietary Fund  
Statement of Net Position  
April 30, 2018

ASSETS

Current assets:	
Cash and interest bearing deposits	\$ 551,048
Accounts receivable, net of allowance	40,220
Due from other funds	60,978
Prepaid expenses	<u>1,695</u>
Total current assets	<u>653,941</u>
Noncurrent assets:	
Restricted assets -	
Cash	59,324
Interest-bearing deposits	35,000
Capital assets -	
Non-depreciable	1,644,182
Depreciable, net of accumulated depreciation	<u>4,125,514</u>
Total noncurrent assets	<u>5,864,020</u>
Total assets	<u>6,517,961</u>

LIABILITIES

Current liabilities:	
Accounts payable	27,053
Compensated absences payable	2,112
Other payables	11,221
Due to other funds	<u>136,957</u>
Total current liabilities	<u>177,343</u>
Noncurrent liabilities:	
Customers' deposits	<u>94,324</u>
Total liabilities	<u>271,667</u>

NET POSITION

Net investment in capital assets	5,769,696
Unrestricted	<u>476,598</u>
Total net position	<u>\$ 6,246,294</u>

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

TOWN OF DECAMBRE, LOUISIANA

Proprietary Fund  
Statement of Revenues, Expenses, and Changes in Net Position  
Year Ended April 30, 2018

Operating revenues:	
Charges for services	\$ 615,630
Miscellaneous	<u>22,113</u>
Total operating revenues	<u>637,743</u>
Operating expenses:	
Administrative expenses	71,827
Gas department expenses	131,958
Water department expenses	192,741
Sewerage department expenses	174,477
Depreciation	<u>247,454</u>
Total operating expenses	<u>818,457</u>
Operating loss	<u>(180,714)</u>
Nonoperating revenues (expenses):	
Grant revenues	47,825
Interest income	<u>654</u>
Total nonoperating revenues	<u>48,479</u>
Change in net position	(132,235)
Net position, beginning	<u>6,378,529</u>
Net position, ending	<u>\$ 6,246,294</u>

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

TOWN OF DELCAMBRE, LOUISIANA

Statement of Cash Flows  
 Proprietary Fund  
 For the Year Ended April 30, 2018

Cash flows from operating activities:	
Receipts from customers	\$ 658,768
Payments to suppliers	(429,539)
Payments to employees	(112,149)
Other receipts	<u>22,113</u>
Net cash provided by operating activities	<u>139,193</u>
 Cash flows from noncapital financing activities:	
Payable from other funds	<u>(22,197)</u>
 Cash flows from capital and related financing activities:	
Net meter deposits	18,486
Acquisition of property, plant and equipment	(44,813)
Grants and other contributions received	<u>47,825</u>
Net cash provided by capital and related financing activities	<u>21,498</u>
 Cash flows from investing activities:	
Proceeds of investments and interest-bearing deposits with maturity in excess of ninety days	245,000
Purchase of investments and interest-bearing deposits with maturity in excess of ninety days	(245,000)
Interest on investments	<u>667</u>
Net cash provided by investing activities	<u>667</u>
 Net change in cash and cash equivalents	139,161
 Cash and cash equivalents, beginning of period	<u>261,211</u>
 Cash and cash equivalents, end of period	<u>\$ 400,372</u>

(continued)

TOWN OF DELCAMBRE, LOUISIANA

Statement of Cash Flows (continued)

Proprietary Fund

Year Ended April 30, 2018

Cash flows from operating activities:	
Operating loss	\$ (180,714)
Adjustments to reconcile operating income to net cash provided by operating activities -	
Depreciation	247,454
Bad debt	2,268
(Increase) decrease in operating assets:	
Accounts receivable	3,877
Other receivable	36,993
Increase (decrease) in operating liabilities:	
Accounts payable	21,289
Other payables	<u>8,026</u>
Net cash provided by operating activities	<u>\$ 139,193</u>
Cash and cash equivalents, beginning of period -	<u>\$ 261,211</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:	
Cash and cash equivalents, end of period -	
Cash and interest-bearing deposits - unrestricted	551,048
Cash and interest-bearing deposits - restricted	59,324
Interest-bearing deposits - restricted	35,000
Less: Interest-bearing deposits with a maturity in excess of 90 days	<u>(245,000)</u>
Total cash and cash equivalents	<u>400,372</u>
Net change	<u>\$ 139,161</u>

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

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

The Town was originally formed as a Village on November 27, 1907. On June 13, 1946, by issuance of the Governor's proclamation and under the provisions of the Lawrson Act, the Village of Delcambre, Louisiana, became the Town of Delcambre, Louisiana. The Town operates under a Mayor-Board of Aldermen form of government. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Town of Delcambre has no such component units.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and

## TOWN OF DELCAMBRE, LOUISIANA

### Notes to Basic Financial Statements

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.

#### Fund Financial Statements

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

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

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

The major funds of the Town are described below:

#### Governmental Funds -

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

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

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

## TOWN OF DELCAMBRE, LOUISIANA

### Notes to Basic Financial Statements

#### Proprietary Funds -

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

#### Utility Fund

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

#### C. Measurement Focus/Basis of Accounting

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

#### Measurement Focus

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

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

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

## TOWN OF DELCAMBRE, LOUISIANA

### Notes to Basic Financial Statements

#### Basis of Accounting

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

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

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

#### Program revenues

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

#### Allocation of indirect expenses

The Town reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions, but are reported separately in the Statement of Activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function. When not clearly identifiable with a function, interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

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

##### Cash and interest-bearing deposits

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits

## TOWN OF DELCAMBRE, LOUISIANA

### Notes to Basic Financial Statements

of the Town. For the purpose of the proprietary fund statement of cash flows, “cash and cash equivalents” include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less when purchased. See Note (2) for additional disclosures.

#### Investments

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

#### Interfund receivables and payables

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

#### Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes. Business-type activities report customer’s utility service receivables as their major receivables.

Uncollectible ad valorem taxes or utility service receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. The Town has estimated that trade accounts receivable that have been unpaid for more than 90 days are uncollectible, and this amount has been established as the allowance for uncollectibles, based upon prior experience. The allowance for uncollectibles for customers’ utility receivables was \$18,703.

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

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

Prepaid Items

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide or financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town maintains a threshold level of \$1,500 or more for capitalizing capital assets.

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

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

Buildings	20-40 years
Improvements other than buildings	20-40 years
Autos and trucks	5-7 years
Other equipment	5-7 years
Gas system	20-40 years
Water system	10-40 years
Sewer system	20-40 years

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

Compensated Absences

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

## TOWN OF DELCAMBRE, LOUISIANA

### Notes to Basic Financial Statements

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

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

#### Restricted Assets

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

#### Long-term debt

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

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

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

#### Deferred Outflows of Resources and Deferred Inflows of Resources

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

In addition to liabilities, the statement of net position and or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

Equity Classifications

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

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

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

Fund balances of the governmental funds are classified as follows:

*Nonspendable* – amounts that cannot be spent either because they are in nonspendable form (such as inventories and prepaid amounts) or because they are legally or contractually required to be maintained intact.

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

*Committed* – amounts that can be spent only for specific purposes determined by a formal action of the government's highest level of decision-making authority.

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

*Unassigned* – all other spendable amounts

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

Fund balances are composed of the following:

	General Fund	Sales Tax Fund	Special Fund	Nonmajor Fund	Total Governmental Funds
Nonspendable:					
Prepaid items	\$ 16,167	\$ 393	\$ 212	\$ -	\$ 16,772
Restricted:					
Fire protection	-	-	215,648	-	215,648
Public works and building operations and maintenance	-	411,076	-	-	411,076
Youth recreation	-	-	-	30,475	30,475
Other	-	-	-	4,532	4,532
Unassigned:	<u>8,040</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,040</u>
Total fund balances	<u>\$ 24,207</u>	<u>\$ 411,469</u>	<u>\$ 215,860</u>	<u>\$ 35,007</u>	<u>\$ 686,543</u>

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

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

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

Expenditures/Expenses

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

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

- Governmental Funds - By Character
- Proprietary Fund - By Operating and Nonoperating

## TOWN OF DELCAMBRE, LOUISIANA

### Notes to Basic Financial Statements

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

#### Interfund Transfers

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

#### F. Revenue Restrictions

The Town has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue source includes a one percent sales and use tax levied by the Town which is dedicated to opening, constructing, paving, resurfacing and improving streets, sidewalks, bridges, drains, and drainage canals; constructing and purchasing street light facilities, fire and police department stations and equipment, garbage disposal and health and sanitation equipment and facilities, public buildings and recreational facilities and acquiring the necessary equipment and furnishings thereof; and paying for the costs of operating and maintaining public buildings, streets, bridges, drainage, lighting, facilities, and fire, police and health and sanitation departments.

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

#### G. Use of Estimates

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

#### (2) Cash and Interest-Bearing Deposits

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

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. The Town does not have a policy for custodial credit risk; however, under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the pledging financial institution. The market value of

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the financial institution. These securities are held in the name of the pledging financial institution in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) are secured as follows:

Bank balances	<u>\$ 1,227,926</u>
The Town's deposits are secured as follows:	
Federal deposit insurance	845,198
Uninsured and collateral held by the pledging bank, not in the Town's name	<u>382,728</u>
Total	<u>\$ 1,227,926</u>

(3) Aged Accounts Receivable

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

Current	\$ 39,925
Over 30 days	76
Over 60 days	219
Over 90 days	<u>18,703</u>
Total	<u>\$ 58,923</u>

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

Restricted assets consisted of customer deposits of \$94,324.

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

(5) Capital Assets

Capital asset activity was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 467,819	\$ -	\$ -	\$ 467,819
Other capital assets:				
Buildings	572,176	-	-	572,176
Improvements other than buildings	1,830,113	-	-	1,830,113
Autos and trucks	836,580	-	-	836,580
Other equipment	417,278	3,482	-	420,760
Totals	<u>4,123,966</u>	<u>3,482</u>	<u>-</u>	<u>4,127,448</u>
Less accumulated depreciation				
Buildings	333,536	16,511	-	350,047
Improvements other than buildings	667,601	53,206	-	720,807
Autos and trucks	591,118	53,099	-	644,217
Other equipment	393,653	8,579	-	402,232
Total accumulated depreciation	<u>1,985,908</u>	<u>131,395</u>	<u>-</u>	<u>2,117,303</u>
Governmental activities, capital assets, net	<u>\$ 2,138,058</u>	<u>\$ (127,913)</u>	<u>\$ -</u>	<u>\$ 2,010,145</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 1,644,182	\$ -	\$ -	\$ 1,644,182
Other capital assets:				
Gas system	1,945,692	-	-	1,945,692
Water system	3,314,343	2,001	-	3,316,344
Sewer system	3,255,352	37,555	-	3,292,907
Other equipment	139,995	5,258	-	145,253
Totals	<u>10,299,564</u>	<u>44,814</u>	<u>-</u>	<u>10,344,378</u>
Less accumulated depreciation				
Gas system	1,035,298	47,890	-	1,083,188
Water system	1,654,666	91,694	-	1,746,360
Sewer system	1,500,985	103,943	-	1,604,928
Other equipment	136,278	3,928	-	140,206
Total accumulated depreciation	<u>4,327,227</u>	<u>247,455</u>	<u>-</u>	<u>4,574,682</u>
Business-type activities, capital assets, net	<u>\$ 5,972,337</u>	<u>\$ (202,641)</u>	<u>\$ -</u>	<u>\$ 5,769,696</u>

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

Depreciation expense was charged to governmental activities as follows:

General government	\$ 16,015
Public safety	67,601
Public works	<u>47,779</u>
Total depreciation expense	<u>\$ 131,395</u>

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

Gas	\$ 47,890
Water	91,694
Sewer	103,943
Other equipment	<u>3,928</u>
Total depreciation expense	<u>\$ 247,455</u>

(6) On-behalf Payments

The Town has recognized \$29,000 as a revenue and an expenditure for on-behalf salary payments made by the State of Louisiana.

(7) Changes in Long-Term Debt

The following is a summary of long-term debt:

	<u>Governmental Activities</u>
Long-term debt payable, beginning	\$ 72,980
Additions	-
Reductions	<u>(4,315)</u>
Long-term debt payable, ending	<u>\$ 68,665</u>

Long-term debt payable is composed of the following issues:

Notes payable to USDA Rural Development, dated May 18, 2005, original amount of \$110,000, bearing interest of 4.25%, maturing on May 18, 2030.	\$ 68,665
Less: current portion	<u>(4,482)</u>
Net long-term portion	<u>\$ 64,183</u>

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

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

Year Ending April 30,	Governmental Activities		Total
	Principal payments	Interest payments	
2019	4,482	2,844	7,326
2020	4,676	2,650	7,326
2021	4,879	2,448	7,327
2022	5,090	2,236	7,326
2023	5,311	2,016	7,327
2024 - 2028	30,211	6,419	36,630
2029 - 2031	14,016	656	14,672
Totals	<u>\$ 68,665</u>	<u>\$ 19,269</u>	<u>\$ 87,934</u>

Interest expense in the amount of \$3,005 was charged to the general government function.

(8) Commitments and Contingencies

Litigation

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

(9) Compensation of Town Officials

A detail of compensation paid to the Board of Aldermen is as follows:

Aldermen:

Timmy Derise	107 N. Railroad, Delcambre, LA 70528	January 2017 - December 2020	1,380
Donald Martin	107 N. Railroad, Delcambre, LA 70528	January 2017 - December 2020	1,188
Bryan Glatter	107 N. Railroad, Delcambre, LA 70528	April 2017 - December 2020	-
Sarah Trahan	107 N. Railroad, Delcambre, LA 70528	January 2017 - December 2020	1,188
Madison Saunier	107 N. Railroad, Delcambre, LA 70528	January 2017 - December 2020	1,188
			<u>\$ 4,944</u>

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

(10) Compensation, Benefits and Other Payments to Mayor

Compensation, benefits and other payments paid to the Mayor are as follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 3,300
Reimbursements	57
Travel	39
Special meals	44
Other - cell phone	<u>550</u>
Total	<u>\$ 3,990</u>

(11) Risk Management

The Town is exposed to risks of loss in the areas of health care, general and auto liability, property hazards, and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

(12) Interfund Transactions

Receivables and payables consisted of the following:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental funds:		
General Fund	\$ 40,670	\$ 91,228
State Revenue Sharing Fund	-	500
Sales Tax Special Revenue Fund	70,877	60,478
Special Fund	<u>121,989</u>	<u>5,351</u>
Total governmental funds	233,536	157,557
Proprietary fund:		
Enterprise Fund	<u>60,978</u>	<u>136,957</u>
Total	<u>\$ 294,514</u>	<u>\$ 294,514</u>

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

**REQUIRED  
SUPPLEMENTARY INFORMATION**

TOWN OF DELCAMBRE, LOUISIANA  
General Fund

Budgetary Comparison Schedule  
Year Ended April 30, 2018

	Budget		Actual	Variance -
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 45,800	\$ 42,800	\$ 41,186	\$ (1,614)
Licenses and permits	59,300	68,600	62,619	(5,981)
Charges for services	83,100	113,900	126,230	12,330
Fines and forfeitures	41,500	44,800	51,647	6,847
Interest	-	-	28	28
Other	<u>149,600</u>	<u>163,800</u>	<u>158,383</u>	<u>(5,417)</u>
Total revenues	<u>388,200</u>	<u>442,200</u>	<u>440,093</u>	<u>(2,107)</u>
<b>Expenditures:</b>				
Current -				
General government	79,900	148,100	132,653	15,447
Public safety	300,600	287,900	274,796	13,104
Public works	63,700	41,700	101,764	(60,064)
Capital outlays	(1,000)	-	1,742	(1,742)
Debt service:				
Principal	-	1,100	4,315	(3,215)
Interest	<u>-</u>	<u>-</u>	<u>3,011</u>	<u>(3,011)</u>
Total expenditures	<u>443,200</u>	<u>478,800</u>	<u>518,281</u>	<u>(39,481)</u>
Deficiency of revenues over expenditures				
	(55,000)	(36,600)	(78,188)	(41,588)
Fund balance, beginning	<u>102,395</u>	<u>102,395</u>	<u>102,395</u>	<u>-</u>
Fund balance, ending	<u>\$ 47,395</u>	<u>\$ 65,795</u>	<u>\$ 24,207</u>	<u>\$ (41,588)</u>

TOWN OF DELCAMBRE, LOUISIANA  
Sales Tax Fund

Budgetary Comparison Schedule  
Year Ended April 30, 2018

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 269,200	\$ 284,300	\$ 230,570	\$ (53,730)
Intergovernmental	8,500	16,500	6,970	(9,530)
Other	-	1,600	1,425	(175)
Total revenues	<u>278,200</u>	<u>303,500</u>	<u>238,965</u>	<u>(64,535)</u>
<b>Expenditures:</b>				
Current -				
General government	37,700	76,900	80,272	(3,372)
Public works	188,100	220,700	174,333	46,367
Capital outlay	<u>5,900</u>	<u>4,500</u>	<u>871</u>	<u>3,629</u>
Total expenditures	<u>231,700</u>	<u>302,100</u>	<u>255,476</u>	<u>46,624</u>
Excess (deficiency) of revenues over expenditures	46,500	1,400	(16,511)	(17,911)
<b>Other financing uses:</b>				
Transfers out	<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	96,500	1,400	(16,511)	(17,911)
Fund balance, beginning	<u>427,980</u>	<u>427,980</u>	<u>427,980</u>	<u>-</u>
Fund balance, ending	<u>\$ 524,480</u>	<u>\$ 429,380</u>	<u>\$ 411,469</u>	<u>\$ (17,911)</u>

TOWN OF DELCAMBRE, LOUISIANA  
Special Fund

Budgetary Comparison Schedule  
Year Ended April 30, 2018

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 31,300	\$ 28,000	\$ 37,358	\$ 9,358
Intergovernmental	42,600	43,500	42,489	(1,011)
Interest	200	200	-	(200)
Other	-	5,700	5,683	(17)
Total revenue	<u>74,100</u>	<u>77,400</u>	<u>85,530</u>	<u>8,130</u>
<b>Expenditures:</b>				
Current -				
Public safety	84,600	89,600	74,168	15,432
Capital outlay	1,200	-	871	(871)
Debt service -				
Principal	<u>(900)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>84,900</u>	<u>89,600</u>	<u>75,039</u>	<u>14,561</u>
(Deficiency) excess of revenues over expenditures	(10,800)	(12,200)	10,491	22,691
Fund balance, beginning	<u>205,369</u>	<u>205,369</u>	<u>205,369</u>	<u>-</u>
Fund balance, ending	<u>\$ 194,569</u>	<u>\$ 193,169</u>	<u>\$ 215,860</u>	<u>\$ 22,691</u>

TOWN OF DELCAMBRE, LOUISIANA

Notes to Budgetary Comparison Schedules

(1) Budgets and Budgetary Accounting

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

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

**OTHER SUPPLEMENTARY INFORMATION**

**OTHER FINANCIAL INFORMATION**

**NONMAJOR GOVERNMENTAL FUNDS**

## **NONMAJOR SPECIAL REVENUE FUND**

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

### **State Revenue Sharing Fund -**

To account for the collection and disbursement of the Town's State Revenue Sharing monies.

### **Delcambre Youth Fund**

To account for the collection and disbursement of the Town's share of proceeds from the youth recreation hotel/motel sales tax.

TOWN OF DELCAMBRE, LOUISIANA  
Nonmajor Special Revenue Fund

Combining Balance Sheet  
April 30, 2018

	<u>State Revenue Sharing Fund</u>	<u>Delcambre Youth Fund</u>	<u>Total</u>
ASSETS			
Cash	<u>\$ 5,032</u>	<u>\$ 30,475</u>	<u>\$ 35,507</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Due to other funds	\$ 500	\$ -	\$ 500
Fund balance:			
Restricted	<u>4,532</u>	<u>30,475</u>	<u>35,007</u>
Total liabilities and fund balance	<u>\$ 5,032</u>	<u>\$ 30,475</u>	<u>\$ 35,507</u>

TOWN OF DELCAMBRE, LOUISIANA  
Nonmajor Special Revenue Fund

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Year Ended April 30, 2018

	<u>State Revenue Sharing Fund</u>	<u>Delcambre Youth Fund</u>	<u>Total</u>
Revenues	\$ -	\$ -	\$ -
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning	<u>4,532</u>	<u>30,475</u>	<u>35,007</u>
Fund balance, ending	<u><u>\$ 4,532</u></u>	<u><u>\$ 30,475</u></u>	<u><u>\$ 35,007</u></u>

TOWN OF DELCAMBRE, LOUISIANA  
Enterprise Fund  
Utility Fund

Schedule of Number of Utility Customers and Rates

April 30, 2018 and 2017

Records maintained by the Town indicated the following number of customers were being serviced during the month of April 30, 2018 and 2017:

Department	2018	2017
Gas (metered)	334	337
Water	837	826
Sewerage	777	768

The monthly water rates of the Town are as follows:

Residential:	
In Town	\$22.50
Out of Town	\$31.00
Commercial	\$22.50 - \$407.64

The monthly sewer rates of the Town are as follows:

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

TOWN OF DELCAMBRE, LOUISIANA

Proprietary Fund  
 Comparative Statement of Net Position  
 April 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Current assets:		
Cash and interest bearing deposits	\$ 551,048	\$ 430,373
Accounts receivable, net of allowance	40,220	46,365
Other receivables	-	36,993
Due from other funds	60,978	62,299
Accrued interest receivable	-	13
Prepaid expenses	<u>1,695</u>	<u>1,695</u>
Total current assets	<u>653,941</u>	<u>577,738</u>
Noncurrent assets:		
Restricted assets -		
Cash	59,324	40,838
Interest-bearing deposits	35,000	35,000
Capital assets -		
Non-depreciable	1,644,182	1,644,182
Depreciable, net of accumulated depreciation	<u>4,125,514</u>	<u>4,328,155</u>
Total noncurrent assets	<u>5,864,020</u>	<u>6,048,175</u>
Total assets	<u>6,517,961</u>	<u>6,625,913</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	27,053	5,764
Compensated absences payable	2,112	2,112
Other payables	11,221	3,195
Due to other funds	<u>136,957</u>	<u>160,475</u>
Total current liabilities	<u>177,343</u>	<u>171,546</u>
Noncurrent liabilities:		
Customers' deposits	<u>94,324</u>	<u>75,838</u>
Total liabilities	<u>271,667</u>	<u>247,384</u>
<b>NET POSITION</b>		
Net investment in capital assets	5,769,696	5,972,337
Unrestricted	<u>476,598</u>	<u>406,192</u>
Total net position	<u>\$ 6,246,294</u>	<u>\$ 6,378,529</u>

TOWN OF DELCAMBRE, LOUISIANA  
Proprietary Fund  
Utility Fund

Comparative Departmental Analysis of Operating Revenues and Expenses  
Years Ended April 30, 2018 and 2017

	Administrative		Gas		Water		Sewer		Totals	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Operating revenues:										
Charges for services	\$ -	\$ -	\$ 149,699	\$ 121,790	\$ 248,409	\$ 239,830	\$ 217,522	\$ 212,486	\$ 615,630	\$ 574,106
Other revenues	16,223	16,944	1,315	1,050	4,575	3,871	-	25	22,113	21,890
Total operating revenues	<u>16,223</u>	<u>16,944</u>	<u>151,014</u>	<u>122,840</u>	<u>252,984</u>	<u>243,701</u>	<u>217,522</u>	<u>212,511</u>	<u>637,743</u>	<u>595,996</u>
Operating expenses:										
Salaries - plant	-	-	40,301	37,255	38,325	36,668	33,523	31,832	112,149	105,755
Fuel purchased	-	-	34,495	23,271	-	-	-	-	34,495	23,271
Insurance	7,711	-	5,690	7,998	5,691	6,216	5,691	4,862	24,783	19,076
Insurance - employees	52,852	4,786	2,890	21,596	3,210	16,925	3,364	18,327	62,316	61,634
Materials and supplies	-	-	13,822	16,922	16,702	102,921	37,347	16,645	67,871	136,488
Depreciation	-	-	47,890	53,900	91,693	91,357	107,871	106,208	247,454	251,465
Repairs and maintenance	-	-	1,285	12,665	50,711	52,750	39,985	30,616	91,981	96,031
Professional fees	1,110	-	2,380	10,581	12,635	11,575	8,062	10,359	24,187	32,515
Utilities	-	-	-	-	36,369	28,379	28,036	30,497	64,405	58,876
Payroll taxes	-	-	3,317	3,651	3,160	3,640	2,777	3,206	9,254	10,497
Bad debt expense	2,268	4,963	12,331	-	12,331	-	12,331	-	39,261	4,963
Miscellaneous	7,886	1,027	15,447	21,100	13,607	4,480	3,361	8,380	40,301	34,987
Total operating expenses	<u>71,827</u>	<u>10,776</u>	<u>179,848</u>	<u>208,939</u>	<u>284,434</u>	<u>354,911</u>	<u>282,348</u>	<u>260,932</u>	<u>818,457</u>	<u>835,558</u>
Net operating income/(loss)	<u>\$ (55,604)</u>	<u>\$ 6,168</u>	<u>\$ (28,834)</u>	<u>\$ (86,099)</u>	<u>\$ (31,450)</u>	<u>\$ (111,210)</u>	<u>\$ (64,826)</u>	<u>\$ (48,421)</u>	<u>\$ (180,714)</u>	<u>\$ (239,562)</u>

TOWN OF DELCAMBRE, LOUISIANA

Schedule of Insurance in Force

Year Ended April 30, 2018

Insurer	Assets Covered	Risks Covered	Limits of Coverage (in Dollars)	Expiration Date
Louisiana Municipal Risk Management Association	Automobiles	Bodily injury, Property damage	500,000	6/7/2020
	Police operations	General liability	500,000	6/7/2018
	Errors and omissions	General liability	500,000	6/7/2018
	General liability	Bodily injury, Property damage	500,000	6/7/2018
Wright National Flood	Town Hall:			
	Building	Flood damage	250,000	5/8/2018
	Contents	Flood damage	100,000	5/8/2018
	Police Department:			
	Building	Flood damage	250,000	2/19/2019
	Contents	Flood damage	100,000	2/19/2019
Special Risk Insurance, Inc.	Fire department automobiles	General liability	1,000,000	5/1/2018
CNA Insurance	Mayor	Dishonesty Bond	10,000	9/21/2018
	Other officials	Dishonesty Bond	5,000	9/21/2018
	Police Clerk	Dishonesty Bond	10,000	7/10/2018
	Bookkeeper	Dishonesty Bond	10,000	6/1/2018
	Tax Collector	Dishonesty Bond	10,000	6/14/2018
	City Clerk	Dishonesty Bond	10,000	6/14/2018
Thompson, Smith, & Leach	Town Hall:			
	Building and contents	Property	265,000	6/12/2018
	Town Barn	Property	200,000	6/12/2018
	Parking Garage	Property	22,000	6/12/2018
	Sewer Plant	Property	87,000	6/12/2018
	Water Plant	Property	400,000	6/12/2018
	Water Tank	Property	1,000,000	6/12/2018
	Elevated Municipal Building	Property damage	400,000	10/14/2018
	Elevated Municipal Contents	Property damage	10,000	10/14/2018
Equipment	Property damage	123,900	6/12/2018	

**INTERNAL CONTROL, COMPLIANCE  
AND  
OTHER MATTERS**

# KOLDER, SLAVEN & COMPANY, LLC

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Delcambre (Town), as of and for the year ended April 30, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated December 28, 2018.

### Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify 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 2018-001 and 2018-002 that we consider to be significant deficiencies.

## 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of current and prior year audit findings and management's corrective action plan, as items 2018-003 and 2018-004.

## Town of Delcambre's Response to Findings

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

## Purpose of this Report

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

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Abbeville, Louisiana  
December 28, 2018

TOWN OF DELCAMBRE, LOUISIANA

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year Ended April 30, 2018

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

A. Internal Control Over Financial Reporting

2018-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

CONDITION: The Town of Delcambre did not have adequate segregation of functions within the 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 staff performing administrative and financial duties so as to provide adequate segregation of accounting and financial duties.

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

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

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Town of Delcambre concurs with the audit finding. Due to the size of staffing, the achievement of adequate segregation of duties is desirable, but is cost prohibitive. All efforts are given to segregate duties where feasible. In an effort to establish more sound internal controls the Board of Alderman, in conjunction with the Town's CPA monitors activity and balances in all fund accounts.

TOWN OF DELCAMBRE, LOUISIANA

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (continued)  
Year Ended April 30, 2018

2018-002 Utility Fund Operations

Fiscal year finding initially occurred: 2011

CONDITION: The Town's Utility Fund incurred an operating loss of \$180,714 during the current year.

CRITERIA: Sound business practices require that policies be in place and enforced that permit the Town to achieve an operating profit.

CAUSE: The cause of the condition is the fact that the Town's expenditures exceeded collections from its customers.

EFFECT: Failure to make a profit on utility sales could result in the Town not having resources to pay current expenses. The inability to make these payments could result in delayed payment of accounts payable and employee's payroll and the potential default of the Town.

RECOMMENDATION: The Town should take the necessary steps to generate a profit for its utility services; including raising utility rates and cutting operating expenditures.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Town of Delcambre concurs with the findings of an operating loss in the Utility Fund. The Town will review areas of operations and take the necessary steps to generate a profit in utility services. Steps initiated include the installation of water meters which will assess additional utility rates per usage in water and sewerage. The Town has also strengthened requirements on delinquent account collections as well as sending inactive accounts and final/closed accounts with balances owed to collections. The Town is reviewing operating expenditures for cost savings opportunities.

B. Compliance

2018-003 Budget Noncompliance

Fiscal year finding initially occurred: 2017

CONDITION: A budget variance in excess of 5% occurred in the General Fund and Sales Tax Fund.

CRITERIA: LSA-RS 39:1311 et seq, Budgetary Authority and Control, provides for amending the budget when total revenue plus projected revenue are failing to meet total budgeted revenues by 5% or more, or when total expenditures plus projected expenditures exceed budgeted expenditures by 5% or more."

CAUSE: The cause is a result of failure to properly monitor the revenues and expenditures of the Town.

TOWN OF DELCAMBRE, LOUISIANA

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (continued)  
Year Ended April 30, 2018

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

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

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Town has implemented new accounting software which provides more accurate reports for better monitoring revenues and expenditures on a monthly and quarterly basis. The Town will monitor budget to actual comparisons closely and adopt the necessary amendments to ensure compliance with state statutes.

2018-004 Late Report Issuance

Fiscal year finding initially occurred: 2018

CONDITION: The Town failed to submit its annual financial statements to the Legislative Auditors Office by the statutory due date.

CRITERIA: LSA R.S 24:513 states that "audits shall be completed within six months of the close of the entity's fiscal year."

CAUSE: The overall condition of the Town's financial records prohibited the Town's CPA consultant from providing timely and accurate information to the Town's auditors.

EFFECT: The Town has violated state law by failing to submit the audit within six months of the close of the fiscal year.

RECOMMENDATION: The Town should take the necessary steps to ensure that all financial records are accurate and made available to the Town's auditors in a timely manner.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Town concurs with the finding. The Town has implemented new accounting software which provides more accurate reports for better monitoring revenues and expenditures on a monthly and quarterly basis. The Town will take necessary steps to ensure that future financial statements are accurate and submitted within the prescribed time period.

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

2017-001 Inadequate Segregation of Accounting Functions

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

TOWN OF DELCAMBRE, LOUISIANA

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (continued)  
Year Ended April 30, 2018

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

CURRENT STATUS: Unresolved. See item 2018-001.

2017-002 Utility Fund Operations

Fiscal year finding initially occurred: 2011

CONDITION: The Town's Utility Fund incurred an operating deficit during the year.

RECOMMENDATION: The Town should take the necessary steps to generate a profit for its utility services. This could include raising utility rates and cutting operating expenditures.

CURRENT STATUS: Unresolved. See item 2018-002.

B. Compliance

2017-003 Budget Noncompliance

Fiscal year finding initially occurred: 2017

CONDITION: A Budget variance in excess of 5% incurred in the General Fund, Sales Tax Fund and Special Fund.

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

CURRENT STATUS: Unresolved. See item 2018-003.

**TOWN OF DELCAMBRE, LOUISIANA**  
Delcambre, Louisiana

Agreed-Upon Procedures Report

Year Ended April 30, 2018

# KOLDER, SLAVEN & COMPANY, LLC

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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Pam Blakely, Mayor  
and Members of the Board of Aldermen,  
Town of Delcambre, Louisiana, and the  
Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Town of Delcambre, Louisiana (Town) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period May 1, 2017 through April 30, 2018. The Town's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

### Written Policies and Procedures

1. We obtained and inspected the entity's written policies and procedures and observed that they address each of the following categories and subcategories:
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
  - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) **Disbursements**, including processing, reviewing, and approving.

- d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read 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.

#### ***Board or Finance Committee***

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- 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) We 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) For those entities reporting on the governmental accounting model, we observed that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. Alternately, for those entities reporting on the non-profit accounting model, we observed that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

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

### ***Bank Reconciliations***

---

- 3. We obtained a listing of client 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, we obtained and inspected the corresponding bank statement and reconciliation for each selected account, 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***

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- 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), we obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and we 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 inquired of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
  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, we used 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).
    - e) Traced the actual deposit per the bank statement to the general ledger.

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

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8. We obtained a listing of locations that process payments for the fiscal period and management’s representation that the listing is 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, inquired 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.
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, obtained supporting documentation for each transaction and:
- a) Observed that the disbursement matched the related original invoice/billing statement.
  - b) Observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

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

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11. We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. We obtained management's representation that the listing is complete.
12. 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, randomly select one monthly bank statement), obtained supporting documentation, and:
- a) 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) was reviewed and approved, in writing, by someone other than the authorized card holder.
  - b) Observed that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, we randomly selected 10 transactions (or all transactions if less than 10) from each statement, and we obtained supporting documentation for the transactions. 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).

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

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14. 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, 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, agreed the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) Observed that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
  - d) Observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

### *Contracts*

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15. 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. 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) 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) 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), observed that the original contract terms provided for such an amendment.
  - d) Randomly selected one payment from the fiscal period for each of the 5 contracts, 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*

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16. 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, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.
17. We randomly selected one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, we obtained attendance records and leave documentation for the pay period, and:
  - a) Observed that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
  - b) Observed that supervisors approved the attendance and leave of the selected employees/officials.
  - c) Observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. 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, obtained related documentation of the hours and pay rates used in management's termination payment calculations, agreed the hours to the employee/officials' cumulate leave records, and agreed the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. We obtained management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

## *Ethics*

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above we obtained ethics documentation from management, and:
  - a. Observed that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b. Observed that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

### *Debt Service*

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21. We obtained a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. We selected all bonds/notes on the listing, obtained supporting documentation, and observed that State Bond Commission approval was obtained for each bond/note issued.
22. We obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. We randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed actual reserve balances and payments to those required by debt covenants.

### *Other*

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

### **Findings:**

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

#### **Written Policies and Procedures:**

The Town of Delcambre (Town) does not have written policies and procedures addressing how vendors are added to the vendor list.

The Town does not have written policies and procedures addressing payroll processing.

The Town does not have written policies and procedures addressing contracting.

The Town does not have written policies and procedures addressing travel and expense reimbursement.

The Town does not have written policies and procedures addressing ethics.

The Town does not have written policies and procedures addressing debt service.

#### **Board or Finance Committee:**

The board did not meet with a quorum at least monthly.

The minutes did not make reference to monthly budget-to-actual comparisons for the General Fund and any additional funds identified as major funds in the Town's prior audit.

**Bank Reconciliations:**

1 of the 5 bank reconciliations was not prepared within 2 months of the related statement closing date.

4 of the 5 bank reconciliations did not have documentation reflecting that management had researched reconciling items that had been outstanding for more than 12 months from the statement closing date.

**Collections:**

65 receipts were not sequentially pre-numbered.

**Non-Payroll Disbursements:**

Job duties are not properly segregated such that the employee/official responsible for signing checks gives the signed checks to an employee who is responsible for processing payments.

**Credit Cards/Debit Cards/Fuel Cards/P-Cards:**

The Town was assessed finance charges and/or late fees on 2 of the 5 cards tested.

The Town did not have documentation of business/public purpose for 5 of the transactions tested.

The Town did not have documentation of individuals participating in meals for 3 of the transactions tested.

**Travel and Travel-Related Expense Reimbursements:**

2 of the 5 reimbursements were not reimbursed in accordance with the rates established by either the State of Louisiana or the U.S. General Services Administration.

2 of the 5 reimbursements did not include documentation of the names of those individuals participating in the meals.

**Contracts:**

The Town did not have a written contract for 3 of the 5 contracts tested, therefore, we were unable to agree the invoice and related payment to the terms and conditions of the contract.

**Payroll and Personnel:**

The Town did not submit employer and employee portions of health insurance premiums timely on one occasion.

**Ethics:**

4 of the 5 employees/officials tested did not complete the required ethics training during the fiscal period.

The Town does not have an ethics policy, therefore, none of the employees/officials attested through signature verification that he/she has read the Town's ethics policy during the fiscal period.

**Management's Response:**

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Management of the Town of Delcambre concurs with the exceptions and is working to address the deficiencies identified.

We were not engaged to and did not conduct an examination or review, 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.

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

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Abbeville, Louisiana  
December 28, 2018