

TOWN OF CHURCH POINT, LOUISIANA

Financial Report

Year Ended September 30, 2018

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1-3
 BASIC FINANCIAL STATEMENTS	
 GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	
Statement of Net Position	6
Statement of Activities	7
 FUND FINANCIAL STATEMENTS (FFS)	
Balance Sheet - Governmental Funds	10
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	11
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	12
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	13
Statement of Net Position - Proprietary Fund	14
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Fund	15
Statement of Cash Flows - Proprietary Fund	16-17
Notes to Basic Financial Statements	18-35
 REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary comparison schedules:	
General Fund	37
Sales Tax Fund	38-39
2012 Law Enforcement Sales Tax Fund	40-41
Notes to the Required Supplementary Information	42
 OTHER SUPPLEMENTARY INFORMATION	
Statement of Net Position, with Comparative Totals for prior year	44
 Major Governmental Funds - Detailed budgetary comparison schedules compared to actual for prior year	
General Fund - Revenues and Expenditures	45
General Fund - Expenditures	46-47
Sales Tax Fund - Revenues and Expenditures	48-49
2012 Law Enforcement Sales Tax Fund - Revenues and Expenditures	50-51

(continued)

TABLE OF CONTENTS (Continued)

	<u>Page</u>
Capital Projects Fund - Schedule of Revenues, Expenditures and Change in Fund Balance - Budget (GAAP basis) and Actual	52
Proprietary Fund -	
Comparative Statement of Net Position - Enterprise Fund	53
Comparative Departmental Analysis of Revenues and Expenses - Enterprise Fund	54
Combined Schedule of Certificates of Deposit - All Funds	55
Schedule of Insurance in Force	56
 INTERNAL CONTROL, COMPLIANCE AND OTHER MATTERS	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	58-59
Summary Schedule of Current and Prior Year Audit Findings and Management's Corrective Action Plan	60-63

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Victor R. Slaven, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Brad E. Kolder, CPA, JD*
Stephen J. Anderson, CPA*
Christine C. Doucet, CPA
Wanda F. Arcement, CPA, CVA
Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA
Casey L. Ardoin, CPA, CFE

183 S. Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141

11929 Bricksome Ave.
Baton Rouge, LA 70816
Phone (225) 293-8300

1428 Metro Dr.
Alexandria, LA 71301
Phone (318) 442-4421

450 E. Main St.
New Iberia, LA 70560
Phone (337) 367-9204

200 S. Main St.
Abbeville, LA 70510
Phone (337) 893-7944

1234 David Dr. Ste. 203
Morgan City, LA 70380
Phone (985) 384-2020

434 E. Main St.
Ville Platte, LA 70586
Phone (337) 363-2792

332 W. Sixth Ave.
Oberlin, LA 70655
Phone (337) 639-4737

* A Professional Accounting Corporation

WWW.KCSRPCAS.COM

INDEPENDENT AUDITOR'S REPORT

The Honorable Ryan Meche, Mayor
and Members of the Board of Aldermen
Town of Church Point, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Church Point, Louisiana (Town), as of and for the year ended September 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 error or fraud.

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 of 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 financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Church Point, Louisiana, as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity 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 37 through 42 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Town of Church Point has omitted 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Church Point, Louisiana's basic financial statements. The other supplementary information on pages 44 through 56 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The comparative statements on pages 44, 53 and 54, are the responsibility of management and were derived from and relate directly to the underlying accounting records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The prior year comparative information on the comparative statements has been derived from the Town of Church Point's 2017 financial statements. This information was subjected to certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and, in our opinion, was fairly presented, in all material respects, in relation to the basic financial statements as a whole.

The budgetary comparison schedules and other supplementary schedules on pages 45 through 52, 55 and 56 have 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 them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 1, 2019, on our consideration of the Town of Church Point, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
February 1, 2019

BASIC FINANCIAL STATEMENTS

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

TOWN OF CHURCH POINT, LOUISIANA

Statement of Net Position
September 30, 2018

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and interest-bearing deposits	\$ 796,907	\$ 141,117	\$ 938,024
Receivables, net	59,102	156,504	215,606
Internal balances	(332,265)	332,265	-
Due from other governmental units	215,385	19,883	235,268
Inventory	-	53,237	53,237
Prepaid expenses	22,080	6,318	28,398
Total current assets	<u>761,209</u>	<u>709,324</u>	<u>1,470,533</u>
Noncurrent assets:			
Restricted assets -			
Cash and interest-bearing deposits	-	899,822	899,822
Capital assets -			
Land and construction in progress	196,617	138,065	334,682
Capital assets, net	2,904,668	5,030,406	7,935,074
Total noncurrent assets	<u>3,101,285</u>	<u>6,068,293</u>	<u>9,169,578</u>
Total assets	<u>3,862,494</u>	<u>6,777,617</u>	<u>10,640,111</u>
LIABILITIES			
Current liabilities:			
Accounts payable and other payables	92,723	71,893	164,616
Unearned revenue	21,224	-	21,224
Customers' deposits	-	164,770	164,770
Revenue bonds payable	-	233,000	233,000
Accrued interest	-	1,751	1,751
Total current liabilities	<u>113,947</u>	<u>471,414</u>	<u>585,361</u>
Noncurrent liabilities:			
Revenue bonds payable	<u>-</u>	<u>149,000</u>	<u>149,000</u>
Total liabilities	<u>113,947</u>	<u>620,414</u>	<u>734,361</u>
NET POSITION			
Net investment in capital assets	3,101,285	5,019,471	8,120,756
Restricted for sales tax dedications	396,440	-	396,440
Restricted for debt service	-	500,301	500,301
Unrestricted	250,822	637,431	888,253
Total net position	<u>\$ 3,748,547</u>	<u>\$ 6,157,203</u>	<u>\$ 9,905,750</u>

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

TOWN OF CHURCH POINT, LOUISIANA

Statement of Activities
For the Year Ended September 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	\$ 662,383	\$ 227,160	\$ 86,822	\$ -	\$ (348,401)	\$ -	\$ (348,401)
Public safety:							
Police	1,008,628	213,618	71,083	-	(723,927)	-	(723,927)
Public works	645,248	-	-	-	(645,248)	-	(645,248)
Community Center	33,324	-	-	-	(33,324)	-	(33,324)
Culture and recreation	148,653	-	-	-	(148,653)	-	(148,653)
Total governmental activities	<u>2,498,236</u>	<u>440,778</u>	<u>157,905</u>	<u>-</u>	<u>(1,899,553)</u>	<u>-</u>	<u>(1,899,553)</u>
Business-type activities:							
Water	563,867	692,326	-	19,883	-	148,342	148,342
Sewer	460,742	498,624	-	-	-	37,882	37,882
Total business-type activities	<u>1,024,609</u>	<u>1,190,950</u>	<u>-</u>	<u>19,883</u>	<u>-</u>	<u>186,224</u>	<u>186,224</u>
Total primary government	<u>\$ 3,522,845</u>	<u>\$ 1,631,728</u>	<u>\$ 157,905</u>	<u>\$ 19,883</u>	<u>(1,899,553)</u>	<u>186,224</u>	<u>(1,713,329)</u>
General revenues:							
Taxes -							
Property taxes, levied for general purposes					116,394	-	116,394
Sales and use taxes, levied for general purposes					1,301,700	-	1,301,700
Franchise taxes					266,821	-	266,821
Grants and contributions not restricted to specific programs -							
State sources					60,990	-	60,990
Interest and investment earnings					457	2,439	2,896
Miscellaneous					124,291	-	124,291
Total general revenues					<u>1,870,653</u>	<u>2,439</u>	<u>1,873,092</u>
Change in net position					(28,900)	188,663	159,763
Net position - October 1, 2017					<u>3,777,447</u>	<u>5,968,540</u>	<u>9,745,987</u>
Net position - September 30, 2018					<u>\$ 3,748,547</u>	<u>\$ 6,157,203</u>	<u>\$ 9,905,750</u>

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

FUND FINANCIAL STATEMENTS (FFS)

MAJOR FUND DESCRIPTIONS

General Fund

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Sales Tax Fund

To account for the collection of a 1% sales and use tax and its subsequent disbursement in accordance with the sales tax dedication. The proceeds of the 1% sales tax approved on 01/10/67 are dedicated to construction, improving and maintaining streets, drainage, drainage canals, subsurface drains, fire department stations and funding into bonds.

2012 Law Enforcement Sales Tax Fund

To account for the collection of a 1% sales and use tax and its subsequent disbursement in accordance with the sales tax dedication. The proceeds of the 1% sales tax approved on July 1, 2012 are dedicated to law enforcement expenses.

Capital Projects Fund

To account for the receipt and subsequent disbursement of federal and state grant revenues and Town's matching funds to be utilized for various projects.

Enterprise Fund

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

TOWN OF CHURCH POINT, LOUISIANA

Balance Sheet
Governmental Funds
September 30, 2018

	General	Sales Tax	2012 Law Enforcement Sales Tax	Capital Projects	Total
ASSETS					
Cash	\$ 481,836	\$ 149,837	\$ 766	\$ 1,430	\$ 633,869
Interest-bearing deposits	-	163,038	-	-	163,038
Receivables:					
Taxes	58,923	-	-	-	58,923
Accrued interest	-	179	-	-	179
Due from other funds	-	30,010	142,029	23,288	195,327
Due from other governmental units	5,848	104,769	104,768	-	215,385
Prepaid expenses	2,570	9,095	10,415	-	22,080
Total assets	<u>\$ 549,177</u>	<u>\$ 456,928</u>	<u>\$ 257,978</u>	<u>\$ 24,718</u>	<u>\$ 1,288,801</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 20,546	\$ 21,962	\$ 5,919	\$ -	\$ 48,427
Accrued liabilities	14,275	12,837	17,184	-	44,296
Unearned revenue	21,224	-	-	-	21,224
Due to other funds	285,991	28,298	212,756	547	527,592
Total liabilities	<u>342,036</u>	<u>63,097</u>	<u>235,859</u>	<u>547</u>	<u>641,539</u>
Fund balances:					
Nonspendable (prepaid expenses)	2,570	9,095	10,415	-	22,080
Restricted - sales tax dedications	-	384,736	11,704	-	396,440
Assigned - capital expenditures	-	-	-	24,171	24,171
Unassigned	204,571	-	-	-	204,571
Total fund balances	<u>207,141</u>	<u>393,831</u>	<u>22,119</u>	<u>24,171</u>	<u>647,262</u>
Total liabilities and fund balances	<u>\$ 549,177</u>	<u>\$ 456,928</u>	<u>\$ 257,978</u>	<u>\$ 24,718</u>	<u>\$ 1,288,801</u>

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

TOWN OF CHURCH POINT, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
September 30, 2018

Total fund balances for governmental funds at September 30, 2018		\$ 647,262
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 196,617	
Buildings, net of \$744,082 accumulated depreciation	1,158,780	
Infrastructure, net of \$1,415,467 accumulated depreciation	1,273,649	
Equipment, net of \$341,323 accumulated depreciation	424,402	
Vehicles, net of \$353,414 accumulated depreciation	<u>47,837</u>	<u>3,101,285</u>
Total net position of governmental activities at September 30, 2018		<u>\$ 3,748,547</u>

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

TOWN OF CHURCH POINT, LOUISIANA

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

	General	Sales Tax	2012 Law Enforcement Sales Tax	Capital Projects	Total
Revenues:					
Taxes	\$ 383,215	\$ 650,853	\$ 650,847	\$ -	\$ 1,684,915
Licenses and permits	221,486	-	-	-	221,486
Intergovernmental revenues	147,812	-	71,083	-	218,895
Charges for services	5,674	-	-	-	5,674
Continuing Education Fund	4,060	-	-	-	4,060
Fines	213,618	-	-	-	213,618
Miscellaneous -					
Rent income	29,434	-	-	-	29,434
Interest	3	454	-	-	457
Other	70,485	549	19,763	-	90,797
Total revenues	<u>1,075,787</u>	<u>651,856</u>	<u>741,693</u>	<u>-</u>	<u>2,469,336</u>
Expenditures:					
Current -					
General government	539,680	76,860	11,730	-	628,270
Public safety -					
Police	69,304	-	869,806	-	939,110
Public works	-	518,095	-	-	518,095
Community Center	23,922	-	-	-	23,922
Culture and recreation	131,739	-	-	-	131,739
Capital outlay	-	28,896	-	-	28,896
Total expenditures	<u>764,645</u>	<u>623,851</u>	<u>881,536</u>	<u>-</u>	<u>2,270,032</u>
Excess (deficiency) of revenues over expenditures	<u>311,142</u>	<u>28,005</u>	<u>(139,843)</u>	<u>-</u>	<u>199,304</u>
Other financing sources (uses):					
Transfers in	-	-	152,376	-	152,376
Transfers out	<u>(152,376)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(152,376)</u>
Total other financing sources (uses)	<u>(152,376)</u>	<u>-</u>	<u>152,376</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	158,766	28,005	12,533	-	199,304
Fund balances, beginning	<u>48,375</u>	<u>365,826</u>	<u>9,586</u>	<u>24,171</u>	<u>447,958</u>
Fund balances, ending	<u>\$ 207,141</u>	<u>\$ 393,831</u>	<u>\$ 22,119</u>	<u>\$ 24,171</u>	<u>\$ 647,262</u>

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

TOWN OF CHURCH POINT, LOUISIANA

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

Total net changes in fund balances at September 30, 2018 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ 199,304
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 28,896	
Depreciation expense for the period ended September 30, 2018	(255,504)	
Loss on dispositiona of captial assets	<u>(1,596)</u>	<u>(228,204)</u>
Total changes in net position at September 30, 2018 per Statement of Activities		<u>\$ (28,900)</u>

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

TOWN OF CHURCH POINT, LOUISIANA

Statement of Net Position
 Proprietary Fund
 September 30, 2018

	<u>Enterprise Fund</u>
ASSETS	
Current assets:	
Cash	\$ 76,087
Interest-bearing deposits	65,030
Receivables -	
Accounts	110,010
Unbilled utility receivables	45,826
Accrued interest receivable	668
Due from other funds	332,265
Due from other governmental funds	19,883
Inventory	53,237
Prepaid expenses	6,318
Total current assets	<u>709,324</u>
Noncurrent assets:	
Restricted assets -	
Cash	495,908
Interest-bearing deposits	403,914
Capital assets -	
Land and construction in progress	138,065
Capital assets, net	<u>5,030,406</u>
Total noncurrent assets	<u>6,068,293</u>
Total assets	<u>6,777,617</u>
LIABILITIES	
Current liabilities:	
Accounts payable	54,258
Accrued liabilities	17,635
Customers' deposits	164,770
Payable from restricted assets -	
Revenue bonds	233,000
Accrued interest payable	1,751
Total current liabilities	<u>471,414</u>
Noncurrent liabilities:	
Revenue bonds payable	<u>149,000</u>
Total liabilities	<u>620,414</u>
NET POSITION	
Net investment in capital assets	5,019,471
Restricted for debt service	500,301
Unrestricted	637,431
Total net position	<u>\$ 6,157,203</u>

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

TOWN OF CHURCH POINT, LOUISIANA

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

	<u>Enterprise Fund</u>
Operating revenues:	
Charges for services -	
Water sales	\$ 654,784
Sewer service charge	481,227
Other	54,939
Total operating revenues	<u>1,190,950</u>
Operating expenses:	
Salaries	274,787
Payroll taxes	20,504
Group insurance	41,730
Pension	10,646
Utilities	78,231
Repairs and maintenance	84,819
Auto expense	8,819
Legal and professional	23,290
Insurance	75,201
Operating supplies	17,600
Office supplies and expense	12,226
Dump and disposal charges	4,589
Inspection and testing	14,652
Chemicals	75,419
Uniforms	1,755
Bad debt expense	593
Depreciation	258,180
Other	5,930
Total operating expenses	<u>1,008,971</u>
Operating income	<u>181,979</u>
Nonoperating revenues (expenses):	
Interest income	2,439
Interest expense	<u>(15,638)</u>
Total nonoperating revenues (expenses)	<u>(13,199)</u>
Income before contributions	168,780
Capital contributions	<u>19,883</u>
Change in net position	188,663
Net position, beginning	<u>5,968,540</u>
Net position, ending	<u>\$ 6,157,203</u>

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

TOWN OF CHURCH POINT, LOUISIANA

Statement of Cash Flows
 Proprietary Fund
 Year Ended September 30, 2018

	<u>Enterprise Fund</u>
Cash flows from operating activities:	
Receipts from customers	\$ 1,121,842
Payments to suppliers	(378,693)
Payments to employees	(348,311)
Other receipts	<u>54,939</u>
Net cash provided by operating activities	<u>449,777</u>
Cash flows from noncapital financing activities:	
Cash paid to other funds	(175,247)
Net increase in customer meter deposits	<u>5,720</u>
Net cash used by noncapital financing activities	<u>(169,527)</u>
Cash flows from capital and related financing activities:	
Principal paid on revenue bonds payable	(224,000)
Interest and fiscal charges paid on debt	(16,665)
Acquisition of property, plant and equipment	<u>(42,567)</u>
Net cash used by capital and related financing activities	<u>(283,232)</u>
Cash flows from investing activities:	
Proceeds of interest-bearing deposits with maturity in excess of ninety days	402,443
Purchase of interest-bearing deposits with maturity in excess of ninety days	(403,914)
Interest on investments	<u>2,355</u>
Net cash provided by investing activities	<u>884</u>
Net decrease in cash and cash equivalents	(2,098)
Cash and cash equivalents, beginning of period	<u>639,123</u>
Cash and cash equivalents, end of period	<u>\$ 637,025</u>

(continued)

TOWN OF CHURCH POINT, LOUISIANA

Statement of Cash Flows (Continued)
 Proprietary Fund
 Year Ended September 30, 2018

	<u>Enterprise Fund</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 181,979
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	258,180
Changes in current assets and liabilities:	
Increase in accounts receivable	(7,253)
Increase in provision for uncollectible accounts	593
Increase in unbilled services receivable	(7,509)
Increase in inventory	(4,470)
Decrease in accounts payable	20,781
Increase in accrued liabilities	7,476
Total adjustments	<u>267,798</u>
Net cash provided by operating activities	<u>\$ 449,777</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:	
Cash and cash equivalents, beginning of period -	
Cash and interest-bearing deposits - unrestricted	\$ 202,794
Cash and interest-bearing deposits - restricted	838,772
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(402,443)</u>
Total cash and cash equivalents	<u>639,123</u>
Cash and cash equivalents, end of period -	
Cash and interest-bearing deposits - unrestricted	141,117
Cash and interest-bearing deposits - restricted	899,822
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(403,914)</u>
Total cash and cash equivalents	<u>637,025</u>
Net decrease	<u>\$ (2,098)</u>

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

TOWN OF CHURCH POINT, LOUISIANA

Notes to the Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Town of Church Point (Town) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

The Town of Church Point (Town) was incorporated June 1, 1899, under the provisions of the Lawrason Act. The Town operates under the Mayor-Board of Aldermen form of government.

This report includes all funds that are controlled by or dependent on the Town executive and legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the Town was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

Based on the foregoing criteria, certain governmental organizations are not part of the Town and are thus excluded from the accompanying financial statements. These organizations are the Church Point Volunteer Fire Department and the Town of Church Point Housing Authority. The Town of Church Point Housing Authority was chartered by the Town and its Board of Directors is appointed by the Mayor and Board of Alderman. However, the Town's oversight responsibilities in the management of operations and financial accountability are remote.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

TOWN OF CHURCH POINT, LOUISIANA

Notes to the Basic Financial Statements (Continued)

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

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.

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, deferred outflows of resources, liabilities, 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, deferred outflows of resources, liabilities, 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 -

General Fund

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

TOWN OF CHURCH POINT, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Special Revenue Funds

Sales Tax Fund –

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

2012 Law Enforcement Sales Tax Fund –

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

Capital Projects Funds

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds.)

Proprietary Fund -

Enterprise 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. The Town of Church Point's enterprise fund is the Utility Fund.

C. Measurement Focus/Basis of Accounting

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

TOWN OF CHURCH POINT, LOUISIANA

Notes to the Basic Financial Statements (Continued)

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.

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.

TOWN OF CHURCH POINT, LOUISIANA

Notes to the Basic Financial Statements (Continued)

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

Cash and interest-bearing deposits

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

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 amounts due for customers' utility receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. The allowance for uncollectibles for customers' utility receivables was \$31,489 at September 30, 2018. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

Inventories

Inventories in the proprietary fund are valued at cost, which approximates market using the first-in/first-out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when purchased rather than when consumed.

TOWN OF CHURCH POINT, LOUISIANA

Notes to the Basic Financial Statements (Continued)

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 fund financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town maintains a threshold level of \$1,000 or more for capitalizing capital assets.

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 October 1, 2002, some 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. The range of estimated useful lives by type of asset is as follows:

Buildings	40 years
Equipment	5 years
Utility system and improvements	20-40 years
Infrastructure	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.

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 the revenue bond accounts and 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 debts to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debts consist primarily of the revenue bonds payable and utility meter deposits payable.

TOWN OF CHURCH POINT, LOUISIANA

Notes to the Basic Financial Statements (Continued)

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.

Compensated Absences

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

Vacation leave is earned at the rate of five days after one year of service, ten days after five years but less than ten years of service, and fifteen days after ten years of service. However, those employees with two years of service by February 2, 1999 were grandfathered in to receive ten days. Vacation leave earned does not accumulate from year to year.

Sick leave is earned at the rate of seven days for one to five years of employment and ten days for over five years of service. Employees are allowed to accumulate up to two years of leave. If the sick leave is not used within a two-year period, one year's leave is lost. Accumulated sick leave is not payable for employees who resign, retire, or are dismissed from employment.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. There were no deferred outflows of resources and deferred inflows of resources as of September 30, 2018.

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 net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- b. Restricted net position – Net position is considered restricted if the use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the Town's debt. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

TOWN OF CHURCH POINT, LOUISIANA

Notes to the Basic Financial Statements (Continued)

- c. Unrestricted net position – Consists of all other net position that does not meet the definition of the two components and is available for general use by the Town.

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

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Town’s Mayor and Board or Aldermen, which is the highest level of decision-making authority for the Town.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but are intended to be used for specific purposes determined by a formal decision of the Town’s Mayor and Board of Aldermen.
- e. Unassigned – all other spendable amounts.

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

Proprietary (Utility) fund equity is classified the same as in the government-wide statements.

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

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

TOWN OF CHURCH POINT, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Expenditures/Expenses

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

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

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

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

Interfund Transfers

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

F. Revenue Restrictions

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

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Sales tax	See Note 13
Water and sewer revenue	Debt service and utility operations

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

G. Capitalization of Interest Expense

It is the policy of the Town of Church Point to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets. For the year ending September 30, 2018, there were no borrowings for assets under construction and no capitalized interest expense was recorded on the books. Total interest incurred and expensed for the year ending September 30, 2018 for the proprietary fund and business-type activities was \$15,638.

Total interest incurred and expensed for the year ended September 30, 2018 for the governmental funds was \$-0- and the governmental activities was \$-0-.

H. 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.

TOWN OF CHURCH POINT, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(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 the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At September 30, 2018, the Town had cash and interest-bearing deposits (book balances) as follows:

Demand deposits	\$1,205,863
Time deposits	<u>631,983</u>
Total	<u>\$1,837,846</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Town's deposits may not be recovered. Under state law, these deposits, (or resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. These deposits are stated at cost, which approximates market. Deposit balances (bank balances) at September 30, 2018 were secured as follows:

Bank balances	<u>\$1,868,485</u>
Federal deposit insurance	\$ 988,398
Pledged securities	<u>880,087</u>
Total federal deposit insurance and pledged securities	<u>\$1,868,485</u>

Deposits in the amount of \$880,087 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the Town's name. The Town does not have a policy for custodial credit risk.

(3) Ad Valorem Taxes

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

For the year ended September 30, 2018, taxes of 7.01 mills were levied on property with assessed valuations totaling \$16,681,180 and were dedicated as follows:

General corporate purposes	7.01 mills
----------------------------	------------

Total taxes levied were \$116,934. There were no taxes receivable at September 30, 2018.

TOWN OF CHURCH POINT, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(4) Receivables

Receivables at September 30, 2018 of \$215,606 consist of the following:

	<u>General</u>	<u>Sales Tax</u>	<u>Utility</u>	<u>Total</u>
Accounts	\$ -	\$ -	\$110,010	\$110,010
Unbilled utility	-	-	45,826	45,826
Franchise tax	58,923	-	-	58,923
Interest	-	179	668	847
Totals	<u>\$58,923</u>	<u>\$ 179</u>	<u>\$156,504</u>	<u>\$215,606</u>

(5) Due from Other Governmental Units

Amounts due from other governmental units in the amount of \$235,268 at September 30, 2018 consisted of the following:

Governmental Activities:

General Fund -

Amount due from the State of Louisiana for beer tax revenues earned	\$ 2,516
Amount due from the State of Louisiana for video poker revenue earned	3,332
	<u>5,848</u>

Sales Tax Fund -

Amount due from Acadia Parish School Board for September 2018 sales tax	104,769
2012 Law Enforcement Sales Tax Fund -	
Amount due from Acadia Parish School Board for September 2018 sales tax	<u>104,768</u>
Total governmental activities	215,385

Business Type Activities:

Utility Fund-

Amount due from the State of Louisiana for grant revenue earned	<u>19,883</u>
---	---------------

Total Due from Other Governmental Units \$241,116

(6) Restricted Assets - Proprietary Fund Type

Restricted assets consisted of the following at September 30, 2018:

Revenue bond sinking account	\$410,041
Revenue contingency account	325,011
Customers' deposits	<u>164,770</u>
Total restricted assets	<u>\$899,822</u>

TOWN OF CHURCH POINT, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(7) Capital Assets

Capital asset activity for the year ended September 30, 2018 was as follows:

	Balance 10/01/17	Additions	Deletions	Balance 09/30/18
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 196,617	\$ -	\$ -	\$ 196,617
Construction in progress	94,620	-	94,620	-
Other capital assets:				
Buildings	1,902,862	-	-	1,902,862
Infrastructure	2,669,316	19,800	-	2,689,116
Equipment, furniture and fixtures	676,012	103,716	14,003	765,725
Vehicles	426,170	-	24,919	401,251
Totals	<u>5,965,597</u>	<u>123,516</u>	<u>133,542</u>	<u>5,955,571</u>
Less accumulated depreciation				
Buildings	695,647	48,435	-	744,082
Infrastructure	1,299,710	115,757	-	1,415,467
Equipment, furniture and fixtures	300,886	52,844	12,407	341,323
Vehicles	339,865	38,468	24,919	353,414
Total accumulated depreciation	<u>2,636,108</u>	<u>255,504</u>	<u>37,326</u>	<u>2,854,286</u>
Governmental activities, capital assets, net	<u>\$3,329,489</u>	<u>\$(131,988)</u>	<u>\$ 96,216</u>	<u>\$3,101,285</u>
Business-type activities:				
Capital assets not being depreciated:				
Land - water system	\$ 100,000	\$ -	\$ -	\$ 100,000
Land - sewer system	450	-	-	450
Construction in progress	-	37,615	-	37,615
Other capital assets:				
Water system	4,954,077	-	-	4,954,077
Sewer system	6,319,411	-	-	6,319,411
Vehicles	41,493	-	-	41,493
Other equipment	582,820	4,952	-	587,772
Totals	<u>11,998,251</u>	<u>42,567</u>	<u>-</u>	<u>12,040,818</u>
Less accumulated depreciation				
Water system	2,975,035	108,526	-	3,083,561
Sewer system	3,444,340	137,737	-	3,582,077
Vehicles	41,493	-	-	41,493
Machinery and equipment	153,299	11,917	-	165,216
Total accumulated depreciation	<u>6,614,167</u>	<u>258,180</u>	<u>-</u>	<u>6,872,347</u>
Business-type activities, capital assets, net	<u>\$5,384,084</u>	<u>\$(215,613)</u>	<u>\$ -</u>	<u>\$5,168,471</u>

TOWN OF CHURCH POINT, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 34,113
Police	69,518
Public works	127,153
Community Center	9,402
Culture and recreation	<u>15,318</u>
Total depreciation expense	<u>\$255,504</u>

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

Water	\$ 108,526
Sewer	<u>149,654</u>
Total depreciation expense	<u>\$ 258,180</u>

(8) Accounts and Other Payables

The accounts and other payables in the amount of \$164,616 consisted of the following at September 30, 2018:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Accounts	\$ 48,427	\$ 54,258	\$102,685
Other liabilities	<u>44,296</u>	<u>17,635</u>	<u>61,931</u>
Totals	<u>\$ 92,723</u>	<u>\$ 71,893</u>	<u>\$164,616</u>

(9) Changes in Long-Term Debt

The following is a summary of long-term debt transactions of the Town for the year ended September 30, 2018:

	<u>Business-type Activities</u>
	<u>Revenue Bonds</u>
Long-term debt payable at 10/01/17	\$ 606,000
Long-term debt issued	-
Long-term debt retired	<u>(224,000)</u>
Long-term debt payable at 9/30/18	<u>\$ 382,000</u>

TOWN OF CHURCH POINT, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Long-term debt payable at September 30, 2018 is comprised of the following individual issue:

Revenue Bonds:

\$1,635,000 of Utility Revenue Bonds dated August 1, 2012; payable in annual installments of \$51,000 to \$195,000; from August 1, 2012 to August 1, 2022; interest at 4.35%, secured by excess utility revenues	\$ 382,000
Less: Current portion	<u>(233,000)</u>
Long-term revenue bonds payable	<u>\$ 149,000</u>

The long-term debt is due as follows:

Year Ending September 30,	<u>Business-type Activities</u>	
	<u>Principal Payments</u>	<u>Interest Payments</u>
2019	\$ 233,000	\$ 5,253
2020	48,000	4,098
2021	50,000	2,778
2022	<u>51,000</u>	<u>1,403</u>
	<u>\$ 382,000</u>	<u>\$ 13,532</u>

(10) Flow of Funds; Restrictions on Use - Utilities Revenues

Under the terms of the bond indentures on outstanding Utility Revenue Bonds dated August 1, 2012, all income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from operation of the Utility System are pledged and dedicated to the retirement of said bonds, and are to be set aside into the following special funds:

Each month, there will be set aside into a fund called the "Bond and Interest Sinking Fund" an amount constituting 1/12th of the next maturing installment of principal and interest on the outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due and may be used only for such payments.

Pursuant to the Parity Bond Ordinance, funds will also be set aside into a "Contingency Fund" at the rate of 5% of net revenues on or before the 20th of each month until there is an accumulated sum of \$200,000. Money in this fund may be used to care for depreciation, extensions, improvements, and replacements to the system, which are necessary to keep the system in operating condition. Money in this fund may also be used to pay principal or interest on the bonds falling due at any time there is not sufficient money for payment in the other bond funds.

The Town is not required to maintain a bond reserve fund under this bond issuance.

The Town of Church Point was in compliance with all significant limitations and restrictions in the bond indentures at September 30, 2018.

TOWN OF CHURCH POINT, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(11) Retirement Commitment

All employees of the Town of Church Point are members of the Federal Social Security system. The Town and its employees contribute a percentage of each employee's salary to the system (7.65% contributed by the Town; 7.65% by the employee). Total covered wages for the years ended September 30, 2018, 2017, and 2016 totaled \$1,323,231, \$1,487,774, and \$1,345,646, respectively. The Town's contribution during the year ended September 30, 2018, 2017, and 2016 amounted to \$101,227, \$113,815, and \$102,942, respectively.

(12) Deferred Compensation Plan

As of July 1, 2003, the Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457. The plan is administered by the Variable Annuity Life Insurance Company (VALIC). The plan, available to all Town employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The Town's contribution to the plan for the period ended September 30, 2018 was \$49,092.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) held in a trust, custodial account or annuity contract by the Town described in IRC 457(g) for the exclusive benefit of the participants and their beneficiaries.

(13) Dedication of Proceeds and Flow of Funds - Sales and Use Taxes

- A. Proceeds of a 1% sales and use tax approved January 10, 1967, (accounted for in the Sales Tax Fund - a special revenue fund) levied by the Town of Church Point (2018 collections \$650,853) are dedicated to the following purposes:

Constructing, acquiring, extending, improving and/or maintaining drainage facilities, streets, sidewalks and fire department stations and equipment, including fire engines and purchasing and acquiring equipment and furnishings for the aforesaid public works, improvements and facilities, title to which shall be in the public name.

- B. Proceeds of a 1% sales and use tax approved May 16, 2012, (accounted for in the Law Enforcement Sales Tax Fund - a special revenue fund) levied by the Town of Church Point (2018 collections \$650,847) are dedicated to support law enforcement in the Town of Church Point.

All of the above sales taxes were issued in perpetuity.

TOWN OF CHURCH POINT, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(14) Segment Information for the Enterprise Fund

The Town of Church Point maintains one enterprise fund with two departments, which provide water and sewerage services. Segment information for the year ended September 30, 2018 was as follows:

	Water Department	Sewerage Department	Total Enterprise Fund
Charges for services and other revenues	\$ 692,326	\$ 498,624	\$ 1,190,950
Operating expenses -			
Depreciation	108,526	149,654	258,180
Other expenses	446,251	304,540	750,791
Total operating expenses	554,777	454,194	1,008,971
Operating income	\$ 137,549	\$ 44,430	\$ 181,979

(15) On-Behalf Payments of Salaries

The State of Louisiana paid the Town's policemen \$71,083 of supplemental pay during the year ended September 30, 2018. Such payments are recorded as intergovernmental revenues and public safety expense in the government-wide and General Fund financial statements.

(16) 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, nor have settlements exceeded coverage for the past three years.

(17) Litigation and Claims

At September 30, 2018, the Town is a defendant in several lawsuits principally arising from the normal course of operations. The Town's legal counsel has reviewed the claims filed and has determined that the Town's liability net of insurance coverage is considered immaterial at September 30, 2018. As of September 30, 2018, no liability has been provided for suits filed or unasserted claims which may be filed.

TOWN OF CHURCH POINT, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(18) Interfund Transactions

A. Receivables and Payables

Interfund receivables and payables consisted of the following at September 30, 2018:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Funds:		
Governmental Funds -		
General Fund	\$ -	\$ 285,991
Sales Tax Fund	30,010	28,298
Law Enforcement Sales Tax Fund	142,029	212,756
Capital Projects Fund	23,288	547
Proprietary Fund -		
Utility Fund	<u>332,265</u>	<u>-</u>
Total	<u>\$ 527,592</u>	<u>\$ 527,592</u>

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

B. Interfund transfers

Interfund transfers consisted of the following at September 30, 2018:

	<u>Interfund Transfers In</u>	<u>Interfund Transfers Out</u>
Major Funds:		
Governmental Funds -		
General Fund	\$ -	\$ 152,376
2012 Law Enforcement Sales Tax Fund	<u>152,376</u>	<u>-</u>
Total	<u>\$ 152,376</u>	<u>\$ 152,376</u>

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

TOWN OF CHURCH POINT, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(19) Compensation of Town Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended September 30, 2018 follows:

Russell Stelly, Mayor	\$ 42,729
Aldermen:	
Errol Comeaux	4,325
Joy Daigle	4,325
Gary Duplechin	4,175
Gene Malbrough	4,025
Dale Wimberly	4,325
	<u>\$ 63,904</u>

The mayor receives \$3,561 per month. Aldermen receive \$335 per month plus \$150 for each special meeting called.

(20) Compensation, Benefits, and Other Payments to Agency Head

The schedule of compensation, benefits, and other payments to Russell Stelly, Mayor, follows:

Salary	\$ 42,729
Registration fees	417
	<u>\$ 43,146</u>

**REQUIRED SUPPLEMENTARY
INFORMATION**

TOWN OF CHURCH POINT, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended September 30, 2018

	Budget		Actual	Variance -
	Original	Final		Positive (Negative)
Revenues:				
Taxes -				
Ad valorem	\$ 117,000	\$ 116,388	\$ 116,394	\$ 6
Franchise	271,100	255,378	266,821	11,443
Licenses and permits -				
Occupational licenses	215,100	214,067	215,491	1,424
Permits	3,700	6,260	5,995	(265)
Intergovernmental revenues -				
Federal grants	-	50,000	86,822	36,822
State of Louisiana:				
Housing Authority payment in lieu of taxes	23,000	20,179	20,179	-
Beer taxes	10,200	9,676	9,327	(349)
Video poker commissions	35,000	31,777	31,484	(293)
Charges for services -				
Utility collection	4,800	4,826	5,674	848
Continuing Education Fund	3,500	3,510	4,060	550
Fines and forfeits	137,750	238,212	213,618	(24,594)
Miscellaneous -				
Rent income	22,500	24,420	29,434	5,014
Interest income	-	-	3	3
Other revenues	57,900	53,755	70,485	16,730
Total revenues	<u>901,550</u>	<u>1,028,448</u>	<u>1,075,787</u>	<u>47,339</u>
Expenditures:				
Current -				
General government	471,816	544,641	539,680	4,961
Public safety	58,976	68,290	69,304	(1,014)
Community Center	27,500	23,111	23,922	(811)
Culture and recreation	127,725	126,917	131,739	(4,822)
Capital outlay	13,600	-	-	-
Total expenditures	<u>699,617</u>	<u>762,959</u>	<u>764,645</u>	<u>(1,686)</u>
Excess of revenues over expenditures	201,933	265,489	311,142	45,653
Other financing uses:				
Transfers out	(246,000)	(206,000)	(152,376)	53,624
Net change in fund balance	(44,067)	59,489	158,766	99,277
Fund balance, beginning	48,375	48,375	48,375	-
Fund balance, ending	<u>\$ 4,308</u>	<u>\$ 107,864</u>	<u>\$ 207,141</u>	<u>\$ 99,277</u>

TOWN OF CHURCH POINT, LOUISIANA
Sales Tax Fund

Budgetary Comparison Schedule
For the Year Ended September 30, 2018

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
Taxes - sales taxes	\$ 612,000	\$ 609,576	\$650,853	\$ 41,277
Miscellaneous -				
Interest	-	150	454	304
Other	<u>1,000</u>	<u>1,925</u>	<u>549</u>	<u>(1,376)</u>
Total revenues	<u>613,000</u>	<u>611,651</u>	<u>651,856</u>	<u>40,205</u>
Expenditures:				
Current-				
General government:				
Salaries	40,248	42,211	42,242	(31)
Payroll taxes	3,100	3,090	3,109	(19)
Group insurance	5,400	5,404	5,710	(306)
Pension	2,350	2,350	2,563	(213)
Workers compensation	350	-	-	-
Legal and professional	6,700	13,310	11,505	1,805
Collection expense	<u>12,000</u>	<u>12,000</u>	<u>11,731</u>	<u>269</u>
Total general government	<u>70,148</u>	<u>78,365</u>	<u>76,860</u>	<u>1,505</u>
Public works:				
Salaries	260,000	256,176	255,043	1,133
Payroll taxes	20,410	20,461	19,042	1,419
Group insurance	57,000	54,080	36,858	17,222
Pension	13,000	11,221	9,496	1,725
Workers compensation	31,000	42,220	42,593	(373)
Legal and professional	2,000	-	-	-
Gravel, shell and supplies	30,500	26,940	30,020	(3,080)
Repairs and maintenance	32,000	14,207	9,643	4,564
Transportation	20,000	23,346	30,159	(6,813)
Telephone and utilities	8,100	11,759	12,032	(273)
Insurance	13,500	13,292	8,403	4,889
Miscellaneous	6,100	13,027	14,280	(1,253)
Street lighting	<u>55,300</u>	<u>55,302</u>	<u>50,526</u>	<u>4,776</u>
Total public works	<u>548,910</u>	<u>542,031</u>	<u>518,095</u>	<u>23,936</u>

(continued)

TOWN OF CHURCH POINT, LOUISIANA
Sales Tax Fund

Budgetary Comparison Schedule (Continued)
For the Year Ended September 30, 2018

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
Capital outlay -				
Public works:				
Equipment	75,000	9,196	9,096	100
Building and improvements	<u>20,000</u>	<u>20,000</u>	<u>19,800</u>	<u>200</u>
Total capital outlay	<u>95,000</u>	<u>29,196</u>	<u>28,896</u>	<u>300</u>
Total expenditures	<u>714,058</u>	<u>649,592</u>	<u>623,851</u>	<u>25,741</u>
Net change in fund balance	(101,058)	(37,941)	28,005	65,946
Fund balance, beginning	<u>365,826</u>	<u>365,826</u>	<u>365,826</u>	<u>-</u>
Fund balance, ending	<u>\$ 264,768</u>	<u>\$ 327,885</u>	<u>\$ 393,831</u>	<u>\$ 65,946</u>

TOWN OF CHURCH POINT, LOUISIANA
2012 Law Enforcement Sales Tax Fund

Budgetary Comparison Schedule
For the Year Ended September 30, 2018

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
Taxes - sales taxes	\$ 620,000	\$ 620,003	\$ 650,847	\$ 30,844
Intergovernmental revenue -				
State of Louisiana -				
On-behalf payments	82,000	76,750	71,083	(5,667)
Miscellaneous -				
Other	-	5,000	19,763	14,763
Total revenues	<u>702,000</u>	<u>701,753</u>	<u>741,693</u>	<u>39,940</u>
Expenditures:				
Current -				
General government:				
Collection expense	<u>11,000</u>	<u>12,000</u>	<u>11,730</u>	<u>270</u>
Public safety - police:				
Salaries	578,700	541,213	519,920	21,293
Payroll taxes	47,500	43,639	35,855	7,784
Group insurance	70,000	92,301	86,725	5,576
Pension	23,975	23,966	32,039	(8,073)
Workers compensation	33,000	43,028	43,962	(934)
Transportation	27,000	33,533	30,322	3,211
Supplies	26,100	16,013	17,260	(1,247)
Telephone and utilities	16,000	16,151	16,037	114
Legal and professional	-	11,295	13,495	(2,200)
Insurance	47,900	58,370	62,197	(3,827)
Repairs and maintenance	5,000	4,002	2,231	1,771
Conventions and seminars	1,500	356	1,410	(1,054)
Meals for prisoners	3,800	4,114	6,361	(2,247)
Uniforms	4,000	1,057	857	200
Miscellaneous	<u>2,900</u>	<u>1,586</u>	<u>1,135</u>	<u>451</u>
Total public safety	<u>887,375</u>	<u>890,624</u>	<u>869,806</u>	<u>20,818</u>

(continued)

TOWN OF CHURCH POINT, LOUISIANA
2012 Law Enforcement Sales Tax Fund

Budgetary Comparison Schedule (Continued)
For the Year Ended September 30, 2018

	<u>Budget</u>		<u>Actual</u>	<u>Variance - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Capital outlay	5,000	-	-	-
Total expenditures	<u>903,375</u>	<u>902,624</u>	<u>881,536</u>	<u>21,088</u>
Deficiency of revenues over expenditures	(201,375)	(200,871)	(139,843)	61,028
Other financing sources:				
Transfers from General Fund	<u>246,000</u>	<u>206,000</u>	<u>152,376</u>	<u>(53,624)</u>
Net change in fund balance	44,625	5,129	12,533	7,404
Fund balance, beginning	<u>9,586</u>	<u>9,586</u>	<u>9,586</u>	-
Fund balance, ending	<u>\$ 54,211</u>	<u>\$ 14,715</u>	<u>\$ 22,119</u>	<u>\$ 7,404</u>

TOWN OF CHURCH POINT, LOUISIANA

Notes to the Required Supplementary Information

(1) Budget and Budgetary Accounting

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

1. Prior to September 30, the Town Clerk submits to the Mayor and Board of Aldermen a proposed operating budget for the fiscal year commencing the following October 1.
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 an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board of Aldermen. Such amendments were not material in relation to the original appropriations.

(2) Excess of Expenditures Over Appropriations

For the year ended September 30, 2018, the following funds has actual expenditures over appropriations, at the functional level, as follows:

Fund and Function	Budget	Actual	Excess
General Fund:			
Public safety	\$ 68,290	\$ 69,304	\$ (1,014)
Community Center	23,111	23,922	(811)
Culture and recreation	126,917	131,739	(4,822)

OTHER SUPPLEMENTARY INFORMATION

TOWN OF CHURCH POINT, LOUISIANA

Statement of Net Position

September 30, 2018

With Comparative Totals for September 30, 2017

	2018		2017 Totals	
	Governmental Activities	Business-Type Activities		Total
ASSETS				
Current assets:				
Cash and interest-bearing deposits	\$ 796,907	\$ 141,117	\$ 938,024	\$ 689,291
Receivables, net	59,102	156,504	215,606	202,983
Internal balances	(332,265)	332,265	-	-
Due from other governmental units	215,385	19,883	235,268	213,936
Inventory	-	53,237	53,237	48,767
Prepaid expenses	22,080	6,318	28,398	25,015
Total current assets	<u>761,209</u>	<u>709,324</u>	<u>1,470,533</u>	<u>1,179,992</u>
Noncurrent assets:				
Restricted assets:				
Cash and interest-bearing deposits	-	899,822	899,822	838,772
Capital assets:				
Land and construction in progress	196,617	138,065	334,682	391,687
Capital assets, net	<u>2,904,668</u>	<u>5,030,406</u>	<u>7,935,074</u>	<u>8,321,886</u>
Total noncurrent assets	<u>3,101,285</u>	<u>6,068,293</u>	<u>9,169,578</u>	<u>9,552,345</u>
Total assets	<u>3,862,494</u>	<u>6,777,617</u>	<u>10,640,111</u>	<u>10,732,337</u>
LIABILITIES				
Current liabilities:				
Accounts payable and other payables	92,723	71,893	164,616	198,343
Unearned revenue	21,224	-	21,224	20,179
Customers' deposits	-	164,770	164,770	159,050
Revenue bonds payable	-	233,000	233,000	224,000
Accrued interest	-	1,751	1,751	2,778
Total current liabilities	<u>113,947</u>	<u>471,414</u>	<u>585,361</u>	<u>604,350</u>
Noncurrent liabilities:				
Revenue bonds payable	-	149,000	149,000	382,000
Total liabilities	<u>113,947</u>	<u>620,414</u>	<u>734,361</u>	<u>986,350</u>
NET POSITION				
Net investment in capital assets	3,101,285	5,019,471	8,120,756	8,331,573
Restricted for sales tax dedications	396,440	-	396,440	358,510
Restricted for debt service	-	500,301	500,301	452,944
Unrestricted	<u>250,822</u>	<u>637,431</u>	<u>888,253</u>	<u>602,960</u>
Total net position	<u>\$3,748,547</u>	<u>\$6,157,203</u>	<u>\$ 9,905,750</u>	<u>\$ 9,745,987</u>

TOWN OF CHURCH POINT, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended September 30, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018				
	Budget		Actual	Variance - Positive (Negative)	2017 Actual
	Original	Final			
Revenues:					
Taxes -					
Ad valorem	\$ 117,000	\$ 116,388	\$ 116,394	\$ 6	\$ 117,122
Franchise	271,100	255,378	266,821	11,443	268,507
Licenses and permits -					
Occupational licenses	215,100	214,067	215,491	1,424	218,207
Permits	3,700	6,260	5,995	(265)	5,857
Intergovernmental revenues -					
Federal grants	-	50,000	86,822	36,822	16,462
State of Louisiana:					
Housing Authority payment in lieu of taxes	23,000	20,179	20,179	-	23,036
Beer taxes	10,200	9,676	9,327	(349)	9,508
Video poker commissions	35,000	31,777	31,484	(293)	31,447
Charges for services -					
Utility collection	4,800	4,826	5,674	848	5,601
Continuing Education Fund	3,500	3,510	4,060	550	2,565
Fines and forfeits	137,750	238,212	213,618	(24,594)	163,620
Miscellaneous -					
Rent income	22,500	24,420	29,434	5,014	28,644
Interest income	-	-	3	3	2
Other revenues	57,900	53,755	70,485	16,730	60,628
Total revenues	<u>901,550</u>	<u>1,028,448</u>	<u>1,075,787</u>	<u>47,339</u>	<u>951,206</u>
Expenditures:					
Current -					
General government	471,816	544,641	539,680	4,961	539,236
Public safety	58,976	68,290	69,304	(1,014)	59,909
Community Center	27,500	23,111	23,922	(811)	32,522
Culture and recreation	127,725	126,917	131,739	(4,822)	124,405
Capital outlay	13,600	-	-	-	11,705
Total expenditures	<u>699,617</u>	<u>762,959</u>	<u>764,645</u>	<u>(1,686)</u>	<u>767,777</u>
Excess of revenues over expenditures	201,933	265,489	311,142	45,653	183,429
Other financing uses:					
Transfers out	<u>(246,000)</u>	<u>(206,000)</u>	<u>(152,376)</u>	<u>53,624</u>	<u>(527,994)</u>
Net change in fund balance	(44,067)	59,489	158,766	99,277	(344,565)
Fund balance, beginning	<u>48,375</u>	<u>48,375</u>	<u>48,375</u>	<u>-</u>	<u>392,940</u>
Fund balance, ending	<u>\$ 4,308</u>	<u>\$ 107,864</u>	<u>\$ 207,141</u>	<u>\$ 99,277</u>	<u>\$ 48,375</u>

TOWN OF CHURCH POINT, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended September 30, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018		Actual	Variance - Positive (Negative)	2017 Actual
	Budget				
	Original	Final			
Current -					
General government:					
Salaries	\$ 164,148	\$ 185,718	\$ 173,773	\$ 11,945	\$ 176,463
Court salaries	48,368	48,364	48,822	(458)	47,456
Payroll taxes	20,185	16,652	16,575	77	17,482
Group insurance	18,000	17,941	20,347	(2,406)	17,881
Pension	-	3,539	3,304	235	2,789
General insurance	37,000	36,864	37,085	(221)	39,064
Worker's compensation	8,100	11,759	12,586	(827)	8,743
Legal and professional	97,000	137,383	135,914	1,469	145,658
Office expense and supplies	26,215	30,149	31,670	(1,521)	30,382
Advertising and promotion	2,500	3,818	5,559	(1,741)	2,612
Conventions and seminars	4,850	3,400	5,491	(2,091)	7,925
Repairs and maintenance	5,000	3,060	2,941	119	5,058
Dues	3,000	2,142	1,142	1,000	3,371
Utilities and telephone	18,000	23,676	24,413	(737)	16,020
Preparation of tax rolls	4,500	4,480	4,475	5	4,502
Miscellaneous	4,950	13,378	13,067	311	8,267
Presbytere expense	10,000	2,318	2,516	(198)	5,563
Total general government	<u>471,816</u>	<u>544,641</u>	<u>539,680</u>	<u>4,961</u>	<u>539,236</u>
Public safety:					
Police department -					
Salaries	19,776	19,734	19,776	(42)	19,829
Payroll taxes	1,600	1,602	1,751	(149)	1,706
Supplies	-	1,000	1,101	(101)	2,338
Conventions and seminars	-	1,000	902	98	370
Repairs and maintenance	-	-	-	-	2,085
Uniforms	5,850	3,164	2,964	200	4,703
Crime lab fees	17,000	27,000	27,708	(708)	17,300
Miscellaneous	14,500	14,558	14,322	236	11,578
Total public safety	<u>58,976</u>	<u>68,290</u>	<u>69,304</u>	<u>(1,014)</u>	<u>59,909</u>
Community Center:					
Office expense and supplies	7,300	2,403	1,857	546	7,818
General insurance	1,500	2,696	2,196	500	-
Repairs and maintenance	2,300	5,009	6,202	(1,193)	8,686
Telephone and utilities	10,500	8,153	8,467	(314)	10,103
Miscellaneous	5,900	4,850	5,200	(350)	5,915
Total Community Center	<u>27,500</u>	<u>23,111</u>	<u>23,922</u>	<u>(811)</u>	<u>32,522</u>

(continued)

TOWN OF CHURCH POINT, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended September 30, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018		Actual	Variance - Positive (Negative)	2017 Actual
	Budget				
	Original	Final			
Culture and recreation:					
Salaries	50,800	52,392	52,446	(54)	53,701
Payroll taxes	3,800	4,000	4,039	(39)	4,139
Automobile expense	3,000	508	774	(266)	213
Trophies	4,500	2,820	1,820	1,000	2,504
Tournament Fees	3,925	3,200	2,326	874	3,225
Supplies	12,500	10,314	11,183	(869)	13,533
Repairs and maintenance	10,000	14,347	13,164	1,183	5,797
Telephone and utilities	11,000	11,420	12,870	(1,450)	11,063
Uniforms	12,500	11,510	7,581	3,929	9,989
Insurance	13,200	14,978	22,933	(7,955)	17,801
Miscellaneous	2,500	1,428	2,565	(1,137)	2,440
Total culture and recreation	<u>127,725</u>	<u>126,917</u>	<u>131,739</u>	<u>(4,822)</u>	<u>124,405</u>
Capital outlay -					
General government:					
Equipment	-	-	-	-	11,705
Public safety:					
Vehicle	13,600	-	-	-	-
Total capital outlay	<u>13,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,705</u>
Total expenditures	<u>\$ 699,617</u>	<u>\$ 762,959</u>	<u>\$ 764,645</u>	<u>\$ (1,686)</u>	<u>\$ 767,777</u>

TOWN OF CHURCH POINT, LOUISIANA
Sales Tax Fund

Budgetary Comparison Schedule
For the Year Ended September 30, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018			Variance - Positive (Negative)	2017 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes - sales taxes	\$ 612,000	\$ 609,576	\$ 650,853	\$ 41,277	\$ 631,689
Federal and state grants	-	-	-	-	4,428
Miscellaneous -					
Interest	-	150	454	304	157
Other	1,000	1,925	549	(1,376)	2,056
Total revenues	<u>613,000</u>	<u>611,651</u>	<u>651,856</u>	<u>40,205</u>	<u>638,330</u>
Expenditures:					
Current -					
General government:					
Salaries	40,248	42,211	42,242	(31)	37,790
Payroll taxes	3,100	3,090	3,109	(19)	2,877
Group insurance	5,400	5,404	5,710	(306)	6,180
Pension	2,350	2,350	2,563	(213)	2,480
Workers compensation	350	-	-	-	-
Legal and professional	6,700	13,310	11,505	1,805	10,415
Collection expense	12,000	12,000	11,731	269	11,518
Total general government	<u>70,148</u>	<u>78,365</u>	<u>76,860</u>	<u>1,505</u>	<u>71,260</u>
Public works:					
Salaries	260,000	256,176	255,043	1,133	266,721
Payroll taxes	20,410	20,461	19,042	1,419	20,607
Group insurance	57,000	54,080	36,858	17,222	52,716
Pension	13,000	11,221	9,496	1,725	13,115
Workers compensation	31,000	42,220	42,593	(373)	31,399
Legal and professional	2,000	-	-	-	3,072
Gravel, shell and supplies	30,500	26,940	30,020	(3,080)	33,759
Repairs and maintenance	32,000	14,207	9,643	4,564	47,755
Transportation	20,000	23,346	30,159	(6,813)	19,696
Telephone and utilities	8,100	11,759	12,032	(273)	9,954
Insurance	13,500	13,292	8,403	4,889	14,311
Miscellaneous	6,100	13,027	14,280	(1,253)	6,358
Street lighting	55,300	55,302	50,526	4,776	56,832
Total public works	<u>548,910</u>	<u>542,031</u>	<u>518,095</u>	<u>23,936</u>	<u>576,295</u>

(continued)

TOWN OF CHURCH POINT, LOUISIANA
Sales Tax Fund

Budgetary Comparison Schedule (Continued)
For the Year Ended September 30, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018			Variance - Positive (Negative)	2017 Actual
	Budget		Actual		
	Original	Final			
Capital outlay -					
Public works:					
Equipment	75,000	9,196	9,096	100	12,264
Street improvements	-	-	-	-	6,892
Buildings and improvements	20,000	20,000	19,800	200	200,261
Total capital outlay	<u>95,000</u>	<u>29,196</u>	<u>28,896</u>	<u>300</u>	<u>219,417</u>
Total expenditures	<u>714,058</u>	<u>649,592</u>	<u>623,851</u>	<u>25,741</u>	<u>866,972</u>
Excess (deficiency) of revenues over expenditures	(101,058)	(37,941)	28,005	65,946	(228,642)
Other financing sources:					
Transfers from Debt Service Fund	-	-	-	-	19,246
Net change in fund balance	(101,058)	(37,941)	28,005	65,946	(209,396)
Fund balance, beginning	<u>365,826</u>	<u>365,826</u>	<u>365,826</u>	-	<u>575,222</u>
Fund balance, ending	<u>\$ 264,768</u>	<u>\$ 327,885</u>	<u>\$ 393,831</u>	<u>\$ 65,946</u>	<u>\$ 365,826</u>

TOWN OF CHURCH POINT, LOUISIANA
2012 Law Enforcement Sales Tax Fund

Budgetary Comparison Schedule
For the Year Ended September 30, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018			Variance - Positive (Negative)	2017 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes - sales taxes	\$ 620,000	\$ 620,003	\$ 650,847	\$ 30,844	\$ 624,854
Intergovernmental revenue - State of Louisiana - On-behalf payments	82,000	76,750	71,083	(5,667)	82,966
Miscellaneous - Other	-	5,000	19,763	14,763	8,480
Total revenues	<u>702,000</u>	<u>701,753</u>	<u>741,693</u>	<u>39,940</u>	<u>716,300</u>
Expenditures:					
Current-					
General government:					
Collection expense	<u>11,000</u>	<u>12,000</u>	<u>11,730</u>	<u>270</u>	<u>9,991</u>
Public safety - police:					
Salaries	578,700	541,213	519,920	21,293	638,318
Payroll taxes	47,500	43,639	35,855	7,784	49,539
Group insurance	70,000	92,301	86,725	5,576	87,411
Pension	23,975	23,966	32,039	(8,073)	26,769
Workers compensation	33,000	43,028	43,962	(934)	35,230
Transportation	27,000	33,533	30,322	3,211	44,973
Supplies	26,100	16,013	17,260	(1,247)	31,708
Telephone and utilities	16,000	16,151	16,037	114	16,117
Legal and professional	-	11,295	13,495	(2,200)	16,600
Insurance	47,900	58,370	62,197	(3,827)	52,105
Repairs and maintenance	5,000	4,002	2,231	1,771	17,550
Conventions and seminars	1,500	356	1,410	(1,054)	3,564
Meals for prisoners	3,800	4,114	6,361	(2,247)	3,566
Uniforms	4,000	1,057	857	200	4,347
Miscellaneous	2,900	1,586	1,135	451	3,920
Total public safety	<u>887,375</u>	<u>890,624</u>	<u>869,806</u>	<u>20,818</u>	<u>1,031,717</u>

(continued)

TOWN OF CHURCH POINT, LOUISIANA
2012 Law Enforcement Sales Tax Fund

Budgetary Comparison Schedule (Continued)
For the Year Ended September 30, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018				2017 Actual
	Budget		Actual	Variance - Positive (Negative)	
	Original	Final			
Capital outlay	5,000	-	-	-	106,279
Debt service -					
Principal retirement	-	-	-	-	20,072
Interest and fiscal charges	-	-	-	-	1,204
Total debt service	-	-	-	-	21,276
 Total expenditures	 903,375	 902,624	 881,536	 21,088	 1,169,263
 Deficiency of revenues over expenditures	 (201,375)	 (200,871)	 (139,843)	 61,028	 (452,963)
Other financing sources:					
Transfers from General Fund	246,000	206,000	152,376	(53,624)	452,638
 Net change in fund balance	 44,625	 5,129	 12,533	 7,404	 (325)
 Fund balance, beginning	 9,586	 9,586	 9,586	 -	 9,911
 Fund balance, ending	 \$ 54,211	 \$ 14,715	 \$ 22,119	 \$ 7,404	 \$ 9,586

TOWN OF CHURCH POINT, LOUISIANA
Capital Projects Fund

Schedule of Revenues, Expenditures, and Change in Fund Balance -
Budget (GAAP Basis) and Actual
For the Year Ended September 30, 2018
With Comparative Actual Amounts for the Year Ended September 30, 2017

	2018		Variance - Positive (Negative)	2017 Actual
	Budget	Actual		
Revenues:				
Intergovernmental -				
Federal grants -				
LCDBG sewer improvement grant	\$ -	\$ -	\$ -	\$ 110,675
Expenditures	-	-	-	-
Excess of revenues over expenditures	-	-	-	110,675
Other financing sources (uses):				
Transfers in	-	-	-	30,356
Transfers out	-	-	-	(138,365)
Total other financing sources (uses)	-	-	-	(108,009)
Net change in fund balance	-	-	-	2,666
Fund balance, beginning	24,171	24,171	-	21,505
Fund balance, ending	\$ 24,171	\$ 24,171	\$ -	\$ 24,171

TOWN OF CHURCH POINT, LOUISIANA

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

	<u>Enterprise Fund</u>	
	<u>2018</u>	<u>2017</u>
ASSETS		
Current assets:		
Cash	\$ 76,087	\$ 202,794
Interest-bearing deposits	65,030	-
Receivables -		
Accounts	110,010	103,350
Unbilled utility receivables	45,826	38,317
Accrued interest receivable	668	584
Due from other funds	332,265	157,018
Due from other governmental units	19,883	-
Inventory	53,237	48,767
Prepaid expenses	6,318	6,318
Total current assets	<u>709,324</u>	<u>557,148</u>
Noncurrent assets:		
Restricted assets -		
Cash	495,908	436,329
Interest-bearing deposits	403,914	402,443
Capital assets -		
Land and construction in progress	138,065	100,450
Capital assets, net	<u>5,030,406</u>	<u>5,283,634</u>
Total noncurrent assets	<u>6,068,293</u>	<u>6,222,856</u>
Total assets	<u>6,777,617</u>	<u>6,780,004</u>
LIABILITIES		
Current liabilities:		
Accounts payable	54,258	33,477
Accrued liabilities	17,635	10,159
Customers' deposits	164,770	159,050
Payable from restricted assets -		
Revenue bonds	233,000	224,000
Accrued interest payable	1,751	2,778
Total current liabilities	<u>471,414</u>	<u>429,464</u>
Noncurrent liabilities:		
Revenue bonds payable	<u>149,000</u>	<u>382,000</u>
Total liabilities	<u>620,414</u>	<u>811,464</u>
NET POSITION		
Net investment in capital assets	5,019,471	5,002,084
Restricted for debt service	500,301	452,944
Unrestricted	<u>637,431</u>	<u>513,512</u>
Total net position	<u>\$ 6,157,203</u>	<u>\$ 5,968,540</u>

TOWN OF CHURCH POINT, LOUISIANA
Enterprise Fund
Utility Fund

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

	Totals		Water		Sewer	
	2018	2017	2018	2017	2018	2017
Operating revenue:						
Charges for services	\$ 1,136,011	\$ 1,064,412	\$ 654,784	\$ 623,782	\$ 481,227	\$ 440,630
Other	<u>54,939</u>	<u>45,128</u>	<u>37,542</u>	<u>30,268</u>	<u>17,397</u>	<u>14,860</u>
Total operating revenues	<u>1,190,950</u>	<u>1,109,540</u>	<u>692,326</u>	<u>654,050</u>	<u>498,624</u>	<u>455,490</u>
Operating expenses:						
Salaries	274,787	262,045	154,404	146,807	120,383	115,238
Payroll taxes	20,504	20,214	11,511	11,381	8,993	8,833
Group insurance	41,730	35,569	15,764	12,805	25,966	22,764
Pension	10,646	10,550	6,190	6,122	4,456	4,428
Utilities and telephone	78,231	80,923	32,897	40,226	45,334	40,697
Repairs and maintenance	84,819	132,713	52,325	85,598	32,494	47,115
Auto expense	8,819	9,820	6,877	4,797	1,942	5,023
Legal and professional	23,290	19,950	10,325	9,975	12,965	9,975
Insurance	75,201	71,116	46,591	49,911	28,610	21,205
Operating supplies	17,600	18,328	9,772	11,606	7,828	6,722
Office supplies and expense	12,226	12,270	12,059	10,967	167	1,303
Dump and disposal charges	4,589	4,203	-	-	4,589	4,203
Inspection and testing	14,652	10,691	6,841	4,529	7,811	6,162
Chemicals	75,419	74,250	75,419	74,250	-	-
Uniforms	1,755	1,741	498	574	1,257	1,167
Bad debt expense	593	1,890	593	1,890	-	-
Depreciation	258,180	251,765	108,526	111,261	149,654	140,504
Other	<u>5,930</u>	<u>8,400</u>	<u>4,185</u>	<u>6,708</u>	<u>1,745</u>	<u>1,692</u>
Total operating expenses	<u>1,008,971</u>	<u>1,026,438</u>	<u>554,777</u>	<u>589,407</u>	<u>454,194</u>	<u>437,031</u>
Operating income	<u>181,979</u>	<u>83,102</u>	<u>\$ 137,549</u>	<u>\$ 64,643</u>	<u>\$ 44,430</u>	<u>\$ 18,459</u>
Non-operating revenues (expenses):						
Gain on disposal of assets	-	1,209				
Interest income	2,439	2,490				
Interest expense	<u>(15,638)</u>	<u>(21,707)</u>				
Total non-operating revenues (expenses)	<u>(13,199)</u>	<u>(18,008)</u>				
Income before contributions or transfers	168,780	65,094				
Capital contributions	19,883	20,163				
Transfers in	-	<u>183,365</u>				
Change in net position	188,663	268,622				
Net position, beginning	<u>5,968,540</u>	<u>5,699,918</u>				
Net position, ending	<u>\$ 6,157,203</u>	<u>\$ 5,968,540</u>				

TOWN OF CHURCH POINT, LOUISIANA

Combined Schedule of Certificates of Deposit - All Funds
September 30, 2018

	Financial Institution	Interest Rate	Certificate Maturity Length of Time	Amount
Sales Tax Fund:				
Certificate of deposit	Church Point Bank	0.25%	6 month renewal	\$ 160,130
Certificate of deposit	Farmers State Bank	0.29%	Monthly renewal	<u>2,909</u>
				<u>163,039</u>
Utility Fund:				
Water -				
Customers' deposits -				
Certificate of deposit	Farmers State Bank	0.72%	12 month renewal	78,903
Revenue bond contingency -				
Certificate of deposit	Farmers State Bank	0.41%	12 month renewal	<u>203,782</u>
Total Water				<u>282,685</u>
Sewerage -				
Certificate of deposit	Rayne State Bank	0.10%	Monthly renewal	35,017
Certificate of deposit	Rayne State Bank	0.10%	Monthly renewal	<u>30,013</u>
				65,030
Revenue bond contingency -				
Certificate of deposit	Farmers State Bank	0.45%	6 month renewal	<u>121,229</u>
Total Sewer				<u>186,259</u>
Total Utility Fund				<u>468,944</u>
Total - all funds				<u>\$ 631,983</u>

TOWN OF CHURCH POINT, LOUISIANA

Schedule of Insurance in Force
(Unaudited)
September 30, 2018

<i>Insurer/Agent</i>	<i>Coverage Provided For</i>	<i>Risks Covered</i>	<i>Limits of Coverage (in dollars)</i>	<i>Expiration Date</i>
CNA Surety / The Erny Insurance Agency	Public employees collecting money Public employees position bond	Blanket bond	\$ 5,000	08/15/2019
			182,000	07/29/2019
Western Surety Company / The Erny Insurance Agency	Town Clerk and Tax Collector	Blanket bond	10,000	09/13/2020
Risk Management Inc.	Municipal employees	Automobile liability	500,000	05/01/2019
		General liability	500,000	05/01/2019
		Law Enforcement Officer	500,000	05/01/2019
		Errors and omissions	500,000	05/01/2019
		Workers compensation	500,000	09/01/2019
EMC / Dupre, Carrier, Godchaux	Town Hall, police station, water buildings, reservoirs and tower, fire station buildings, and sewer buildings	Blanket coverage - property damage 90% Co-insurance	9,407,691	06/20/2019
Essex Insurance Co. / Rod Prejean & Associates, Inc.	Automobiles	Physical damage	1,500,000	05/01/2019
Gagliardi Insurance Company	Baseball/softball program insurance	General liability	2,000,000	04/14/2019
		Automobile liability	1,000,000	04/14/2019
		Accidental medical	100,000	04/14/2019
	Parks and Recreation	General liability	5,000,000	08/22/2019
		Accidental medical	100,000	08/22/2019

**INTERNAL CONTROL, COMPLIANCE
AND
OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Victor R. Slaven, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Brad E. Kolder, CPA, JD*
Stephen J. Anderson, CPA*
Christine C. Doucet, CPA
Wanda F. Arcement, CPA, CVA
Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA
Casey L. Ardoin, CPA, CFE

183 S. Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141

11929 Bricksome Ave.
Baton Rouge, LA 70816
Phone (225) 293-8300

1428 Metro Dr.
Alexandria, LA 71301
Phone (318) 442-4421

450 E. Main St.
New Iberia, LA 70560
Phone (337) 367-9204

200 S. Main St.
Abbeville, LA 70510
Phone (337) 893-7944

1234 David Dr. Ste. 203
Morgan City, LA 70380
Phone (985) 384-2020

434 E. Main St.
Ville Platte, LA 70586
Phone (337) 363-2792

332 W. Sixth Ave.
Oberlin, LA 70655
Phone (337) 639-4737

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

WWW.KSRCPAS.COM

* A Professional Accounting Corporation

The Honorable Ryan Meche, Mayor
and Members of the Board of Aldermen
Town of Church Point, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Church Point, Louisiana (the Town) as of and for the year ended September 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 February 1, 2019.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and significant deficiencies.

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 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. We consider the deficiencies described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as items 2018-001(IC) and 2018-002(IC) to be material weaknesses.

Compliance and Other Matters

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

The Town of Church Point, Louisiana's Response to Findings

The Town's response to the findings identified in our audit is described in the accompanying summary 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

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
February 1, 2019

TOWN OF CHURCH POINT, LOUISIANA

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

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
CURRENT YEAR (09/30/18) --						
<u>Internal Control:</u>						
2018-001(IC)	Unknown	Due to the small number of employees, the Town of Church Point did not have adequate segregation of functions within the accounting system.	N/A	Based upon the size of the administrative office and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	Fallon Matte, Assistant Town Clerk	N/A
2018-002(IC)	9/30/2007	The Town of Church Point does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	No	The Town of Church Point has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Fallon Matte, Assistant Town Clerk	N/A

(continued)

TOWN OF CHURCH POINT, LOUISIANA

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

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
<i>PRIOR YEAR (09/30/17) --</i>						
<u>Internal Control:</u>						
2017-001(IC)	Unknown	Due to the small number of employees, the Town of Church Point did not have adequate segregation of functions within the accounting system.	N/A	Based upon the size of the administrative office and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	Todd Richard, Town Clerk	N/A
2017-002(IC)	9/30/2007	The Town of Church Point does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	No	The Town of Church Point has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Todd Richard, Town Clerk	N/A

(continued)

TOWN OF CHURCH POINT, LOUISIANA

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

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
PRIOR YEAR (09/30/17) --						
<u>Internal Control (continued):</u>						
2017-003(IC)	2015	The Town should develop written policies and detailed procedures to guide the Town's business and financial operations.	Yes	Management will develop written policies and procedures for business and financial operations.	Todd Richard, Town Clerk	2018
2017-004(IC)	2015	The Town should implement the following procedures to strengthen controls as they pertain to utility billings and customer accounts: (1) reconcile the customer accounts receivable and customer meter deposit subsidiary listings to the general ledger monthly; (2) reconcile the customer meter deposit subsidiary to related bank accounts monthly; and (3) pursue efforts to collect delinquent accounts from inactive customers.	Yes	Management will perform reconciliations of customer receivables and customer meter deposits on a monthly basis. Management will engage the services of a collection agency in order to pursue collection of inactive delinquent customer accounts.	Todd Richard, Town Clerk	2018
2017-005(IC)	2015	The Town should develop a written policy detailing job descriptions and salary ranges for all positions.	Yes	The Town will develop a written policy detailing job descriptions and salary ranges for all positions.	Todd Richard, Town Clerk	2018
2017-006(IC)	2015	The Town should implement the following policies and procedures to strengthen controls over traffic tickets and the police evidence room: (1) ensure that quarterly audits of traffic tickets are conducted by the Town clerk as required by state law; (2) establish procedures to account for unused, issued, and returned tickets; and (3) strengthen controls over and restrict access to the police evidence room.	Yes	The Town will implement quarterly audits of traffic tickets in accordance with state law and establish procedures to account for unused, issued, and returned tickets. Controls and access to the police evidence room will be reviewed and evaluated for areas of improvement.	Todd Richard, Town Clerk	2018

(continued)

TOWN OF CHURCH POINT, LOUISIANA

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

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
<u>PRIOR YEAR (09/30/17) --</u>						
<u>Internal Control (continued):</u>						
2017-007(IC)	2017	Performance of audit procedures over payroll and leave records indicated that the Town is allowing police employees to carry over vacation time into subsequent years in excess of what is allowed under the Town's official leave policy. The Town should strictly enforce the leave policy in effect for all departments.	Yes	The Town will review the official leave policy with employees and ensure that it is enforced in the future.	Todd Richard, Town Clerk	Immediately
<u>Management Letter:</u>						
2017-008(ML)	2017	The Town should take measures to replenish the fund balance of its General Fund. Current fund balance is \$48,375. The Town should have a fund balance level that can sustain its operations for at least 60 days, assuming no incoming revenues. Currently the Town has enough fund balance to sustain approximately 23 days of operations. The Town should examine General Fund revenues and expenditures to determine where revenues could be increased or expenditures decreased in order to replenish the fund balance.	Yes	Town officials and management will closely examine current General Fund revenues and expenditures to determine where appropriate increases/decreases can be made in order to restore fund balance to an acceptable level.	Todd Richard, Town Clerk	2018

Town of Church Point

Church Point, Louisiana

Agreed-Upon Procedures Report

Year Ended September 30, 2018

KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

C. Burton Kolder, CPA*
Victor R. Slaven, CPA*
Gerald A. Thibodeaux, Jr., CPA*
Robert S. Carter, CPA*
Arthur R. Mixon, CPA*
Brad E. Kolder, CPA, JD*
Stephen J. Anderson, CPA*
Christine C. Doucet, CPA
Wanda F. Arcement, CPA, CVA
Bryan K. Joubert, CPA
Matthew E. Margaglio, CPA
Casey L. Ardoin, CPA, CFE

183 S. Beadle Rd.
Lafayette, LA 70508
Phone (337) 232-4141

11929 Bricksome Ave.
Baton Rouge, LA 70816
Phone (225) 293-8300

1428 Metro Dr.
Alexandria, LA 71301
Phone (318) 442-4421

450 E. Main St.
New Iberia, LA 70560
Phone (337) 367-9204

200 S. Main St.
Abbeville, LA 70510
Phone (337) 893-7944

1234 David Dr. Ste. 203
Morgan City, LA 70380
Phone (985) 384-2020

434 E. Main St.
Ville Platte, LA 70586
Phone (337) 363-2792

332 W. Sixth Ave.
Oberlin, LA 70655
Phone (337) 639-4737

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

* A Professional Accounting Corporation

WWW.KCSRPCAS.COM

To the Mayor and Board of Aldermen of the
Town of Church Point, Louisiana and the
Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Town of Church Point 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 October 1, 2017 through September 30, 2018. The entity'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 (if applicable to public funds and the entity's operations):
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving.
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - 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

- 2. We obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) Observed that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.
 - c) Obtained the prior year audit report and 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, 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, obtained and inspected the corresponding bank statement and reconciliation for selected accounts, and observed that:
 - a) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations included evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Collections

4. We obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. We randomly selected 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, we obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquired of employees about their job duties) at each collection location, and observed that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. We 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, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtained supporting documentation for each of the 10 deposits and:
 - a) We observed that receipts are sequentially pre-numbered.
 - b) We traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) We traced the deposit slip total to the actual deposit per the bank statement.
 - d) We 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) We 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)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

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

11. 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 select 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 obtained supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, we observed that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

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

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

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

16. 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 agree 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). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

- 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' cumulative 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

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

(The following procedures were not performed since there were no exceptions in the prior year.)

21. Obtained a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. 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. Obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. 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

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.

Exceptions:

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

Written Policies and Procedures:

1. The entity does not have written policies and procedures requiring employees to sign the ethics manual.

Management's response: The entity will implement a policy that requires all employees to sign stating they have read the ethics manual.

Bank Reconciliations:

2. There was no evidence on the bank reconciliations that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation.

Management's response: The entity will implement a policy to review all bank reconciliations prepared and to provide evidence on the bank reconciliation that the procedure has been done.

3. There was no evidence on the bank reconciliations that management is researching reconciling items that have been outstanding for more than 12 months from the statement closing date.

Management's response: The entity will implement a policy to research all reconciling items that have been outstanding for more than 12 months from the statement closing date and to provide evidence on the bank reconciliation that the procedure has been done.

Cash Collections:

4. Of the deposits tested, some receipts are not pre-numbered.

Management's response: Management will implement a policy to prenumber all receipts.

5. Receipts for one account are only kept for 6 months.

Management's response: Management will keep all receipts for at least 2 years.

Disbursements:

6. The employee responsible for processing payments is also responsible for vendor files.

Management's response: Management will implement a policy that ascertains that the employee responsible for payment processing is not responsible for vendor files.

7. The employee who mails the checks is responsible for processing checks.

Management's response: Management will implement a policy that the employee who mails the check is not responsible for processing payments.

Credit Cards:

8. Of the five credit card statements tested, all five statements were not approved, in writing, by someone other than the authorized card holder.

Management's response: Management will have someone other than the authorized card holder review, in writing, for all credit card statements.

Travel and Expense Reimbursement:

9. Of the five transactions tested, one reimbursement was not approved by someone other than the person receiving the reimbursement.

Management's response: The entity will ascertain that all travel and expense reimbursements will be approved by someone other than the person receiving the reimbursement.

Payroll:

10. The entity did not keep a written attendance and leave record.

Management's response: The entity will implement a written form of attendance and leave.

Ethics:

11. All five employees selected did not sign that they have read the entity's ethics policy during the fiscal year.

Management's response: Management will ensure all employees verify annually they have read and agreed to the entity's ethics policy.

Other:

12. The fight fraud sign is not posted on the entity's website.

Management's response: Management will post all necessary documentation on the website.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Town of Church Point and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
February 1, 2019