

TOWN OF ARNAUDVILLE, LOUISIANA

Financial Report

Year Ended June 30, 2019

TABLE OF CONTENTS

	Page
Independent Auditors' Report	1 - 3
 BASIC FINANCIAL STATEMENTS	
 GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	
Statement of net position	6
Statement of activities	7
 FUND FINANCIAL STATEMENTS (FFS)	
Major fund descriptions	9
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	15-16
Statement of cash flows - proprietary fund	17-18
 NOTES TO BASIC FINANCIAL STATEMENTS	 19-41
 REQUIRED SUPPLEMENTARY INFORMATION	
General Fund - budgetary comparison schedule	43
1969 Sales Tax Special Revenue Fund - budgetary comparison schedule	44
1982 Sales Tax Special Revenue Fund - budgetary comparison schedule	45
Schedule of employer's share of net pension liability	46
Schedule of employer contributions	47
Notes to the required supplementary information	48

TABLE OF CONTENTS

	<u>Page</u>
OTHER SUPPLEMENTARY INFORMATION	
Statement of net position - compared to prior year totals	50
General and Special Revenue Funds- comparative balance sheet	51
Budgetary comparison schedules:	
General Fund - budgetary comparison schedule - revenues	52
General Fund - budgetary comparison schedule - expenditures	53-54
1969 Sales Tax Special Revenue Fund - budgetary comparison schedule	55
1982 Sales Tax Special Revenue Fund - budgetary comparison schedule	56
Street Improvement Fund - budgetary comparison schedule	57
2% Set Aside Fund - budgetary comparison schedule	58
LCDBG Grant Projects Fund - budgetary comparison schedule	59
Schedule of number of utility customers	60
Schedule of insurance in force	61
Comparative departmental statement of revenues and expenses - Utility Fund	62-63
INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS	
Independent Auditors' 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	65-66
Schedule of prior and current year audit findings and management's corrective action plan	67-69

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) 693-7944	1201 David Dr. 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 70855 Phone (337) 639-4737

* A Professional Accounting Corporation

INDEPENDENT AUDITOR'S REPORT

WWW.KCSRCPAS.COM

The Honorable Todd Meche, Mayor
and Members of the Board of Aldermen
Town of Arnaudville, 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 Arnaudville, Louisiana (Town), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of Arnaudville, Louisiana, as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedules of employer's share of net pension liability and employer contributions, and notes to the required supplementary information on pages 43 through 48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Arnaudville, Louisiana's basic financial statements. The other supplementary information on pages 50 through 63 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

The prior year comparative information on these statements has been derived from the Town of Arnaudville's 2018 financial statements, which was subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and, in our opinion, was fairly presented, in all material respects, in relation to the basic financial statements as a whole.

The schedules on pages 60 and 61 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 September 26, 2019, on our consideration of the Town of Arnaudville, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Arnaudville, Louisiana's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
September 26, 2019

BASIC FINANCIAL STATEMENTS

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

TOWN OF ARNAUDVILLE, LOUISIANA

Statement of Net Position
June 30, 2019

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and interest-bearing demand deposits	\$ 1,095,940	\$ 852,381	\$ 1,948,321
Interest-bearing time deposits	505,005	1,017,997	1,523,002
Receivables, net	3,939	125,135	129,074
Internal balances	21,065	(21,065)	-
Due from other governmental units	58,356	5,923	64,279
Prepaid items	11,411	11,789	23,200
Total current assets	1,695,716	1,992,160	3,687,876
Noncurrent assets:			
Restricted assets:			
Cash and interest-bearing demand deposits	20,443	168,307	188,750
Interest-bearing time deposits	-	44,089	44,089
Capital assets, net	1,818,517	4,658,871	6,477,388
Total noncurrent assets	1,838,960	4,871,267	6,710,227
Total assets	3,534,676	6,863,427	10,398,103
DEFERRED OUTFLOWS OF RESOURCES	233,059	127,783	360,842
LIABILITIES			
Current liabilities:			
Accounts, salaries and other payables	53,544	80,130	133,674
Bonds payable	-	39,000	39,000
Customers deposits payable	-	58,055	58,055
Total current liabilities	53,544	177,185	230,729
Noncurrent liabilities:			
Net pension liability	752,681	363,342	1,116,023
Bonds payable	-	113,000	113,000
Total noncurrent liabilities	752,681	476,342	1,229,023
Total liabilities	806,225	653,527	1,459,752
DEFERRED INFLOWS OF RESOURCES	113,265	36,037	149,302
NET POSITION			
Net investment in capital assets	1,818,517	4,545,871	6,364,388
Restricted for sales tax dedications	879,020	-	879,020
Restricted for capital projects/acquisitions	20,443	-	20,443
Restricted for debt service	-	114,229	114,229
Unrestricted	130,265	1,641,546	1,771,811
Total net position	\$ 2,848,245	\$ 6,301,646	\$ 9,149,891

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

TOWN OF ARNAUDVILLE, LOUISIANA

Statement of Activities
For the Year Ended June 30, 2019

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	\$ 345,119	\$ 104,413	\$ -	\$ -	\$ (240,706)	\$ -	\$ (240,706)
Public safety:							
Police	516,125	23,139	15,017	-	(477,969)	-	(477,969)
Streets	90,046	-	1,795	-	(88,251)	-	(88,251)
Parks and recreation	51,426	-	14,096	-	(37,330)	-	(37,330)
Total governmental activities	<u>1,002,716</u>	<u>127,552</u>	<u>30,908</u>	<u>-</u>	<u>(844,256)</u>	<u>-</u>	<u>(844,256)</u>
Business-type activities:							
Gas	346,049	353,615	-	-	-	7,566	7,566
Water	373,868	401,252	-	38,200	-	65,584	65,584
Sewer	262,031	204,166	-	-	-	(57,865)	(57,865)
Sanitation	8,534	638	-	-	-	(7,896)	(7,896)
Total business-type activities	<u>990,482</u>	<u>959,671</u>	<u>-</u>	<u>38,200</u>	<u>-</u>	<u>7,389</u>	<u>7,389</u>
Total	<u>\$ 1,993,198</u>	<u>\$ 1,087,223</u>	<u>\$ 30,908</u>	<u>\$ 38,200</u>	<u>(844,256)</u>	<u>7,389</u>	<u>(836,867)</u>
General revenues:							
Taxes -							
Property taxes, levied for general purposes					48,487	55,143	103,630
Sales and use taxes, levied for general purposes					580,620	-	580,620
Franchise taxes					58,706	-	58,706
Grants and contributions not restricted to specific programs -							
State sources					27,094	-	27,094
Non-employer pension contribution					14,860	5,426	20,286
Interest and investment earnings					11,381	4,602	15,983
Miscellaneous					11,082	-	11,082
Gain on sale of capital assets					-	5,886	5,886
Transfers					113,677	(113,677)	-
Total general revenues and transfers					<u>865,907</u>	<u>(42,620)</u>	<u>823,287</u>
Change in net position					21,651	(35,231)	(13,580)
Net position - July 1, 2018					<u>2,826,594</u>	<u>6,336,877</u>	<u>9,163,471</u>
Net position - June 30, 2019					<u>\$ 2,848,245</u>	<u>\$ 6,301,646</u>	<u>\$ 9,149,891</u>

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

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTIONS

MAJOR FUNDS

General Fund

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

Special Revenue Funds

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

1969 Sales Tax Fund -

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

1982 Sales Tax Fund -

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

Capital Projects Funds

Street Improvement Fund -

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

2% Set Aside Fund -

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

LCDBG Grant Projects Fund -

To account for the receipt and subsequent disbursement of Louisiana Community Block Grants and Town's matching funds to be utilized for various projects. A sewer system improvement project began during the year ended June 30, 2015 and has been completed as of the year ended June 30, 2017.

Enterprise Fund

Utility Fund -

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

TOWN OF ARNAUDVILLE, LOUISIANA

Balance Sheet
Governmental Funds
June 30, 2019

	General	1969 Sales Tax Special Revenue	1982 Sales Tax Special Revenue	Street Improvement Capital Projects	2% Set Aside Capital Projects	LCDBG Grant Projects	Total
ASSETS							
Cash and interest-bearing demand deposits	\$ 599,439	\$ 77,450	\$ 400,972	\$ 38,520	\$ -	\$ 2	\$ 1,116,383
Interest-bearing time deposits	-	229,048	119,235	-	156,722	-	505,005
Receivables:							
Other	2,116	-	-	-	-	-	2,116
Interest	-	918	701	-	204	-	1,823
Due from other governmental units	4,846	26,755	26,755	-	-	-	58,356
Due from other funds	31,791	13,624	1,756	-	2,320	-	49,491
Prepaid items	11,411	-	-	-	-	-	11,411
Total assets	<u>649,603</u>	<u>347,795</u>	<u>549,419</u>	<u>38,520</u>	<u>159,246</u>	<u>2</u>	<u>1,744,585</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	30,139	9,775	490	-	-	-	40,404
Due to other funds	20,497	2,319	5,610	-	-	-	28,426
Total liabilities	<u>50,636</u>	<u>12,094</u>	<u>6,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,830</u>
Fund balances -							
Nonspendable (prepaid items)	11,411	-	-	-	-	-	11,411
Restricted for sales tax dedications	-	335,701	543,319	-	-	-	879,020
Restricted for capital projects	-	-	-	20,443	-	-	20,443
Assigned for capital projects	-	-	-	18,077	159,246	2	177,325
Unassigned	587,556	-	-	-	-	-	587,556
Total fund balances	<u>598,967</u>	<u>335,701</u>	<u>543,319</u>	<u>38,520</u>	<u>159,246</u>	<u>2</u>	<u>1,675,755</u>
Total liabilities and fund balances	<u>\$ 649,603</u>	<u>\$ 347,795</u>	<u>\$ 549,419</u>	<u>\$ 38,520</u>	<u>\$ 159,246</u>	<u>\$ 2</u>	<u>\$ 1,744,585</u>

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

TOWN OF ARNAUDVILLE, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2019

Total fund balances for governmental funds at June, 30, 2019			\$1,675,755
Total net position reported for governmental activities in the statement of net position is different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:			
Land	\$	201,668	
Buildings and improvements, net of \$457,053 accumulated depreciation		715,283	
Infrastructure, net of \$544,031 accumulated depreciation		742,709	
Equipment and vehicles, net of \$410,375 accumulated depreciation		<u>158,857</u>	1,818,517
The deferred outflows of expenditures for the municipal and police employees retirement systems are not a use of current resources, and therefore, are not reported in the funds			233,059
Long-term liabilities of governmental activities are not payable from current resources and, therefore, not reported in the funds. These liabilities consist of:			
Compensated absences payable		(13,140)	
Net pension liability		<u>(752,681)</u>	(765,821)
The deferred inflows of contributions for the municipal and police employees retirement systems are not available resources, and therefore, are not reported in the funds			<u>(113,265)</u>
Total net position of governmental activities at June, 30, 2019			<u>\$2,848,245</u>

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

TOWN OF ARNAUDVILLE, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances -
 Governmental Funds
 For the Year Ended June 30, 2019

	General	1969 Sales Tax Special Revenue	1982 Sales Tax Special Revenue	Street Improvement Capital Projects	2% Set Aside Capital Projects	LCDBG Grant Projects	Total
Revenues:							
Taxes	\$ 107,124	\$ 290,310	\$ 290,310	\$ -	\$ -	\$ -	\$ 687,744
Licenses and permits	104,413	-	-	-	-	-	104,413
Intergovernmental	28,889	15,017	-	-	-	-	43,906
Fines and forfeits	23,139	-	-	-	-	-	23,139
Miscellaneous	<u>25,247</u>	<u>1,866</u>	<u>8,450</u>	<u>116</u>	<u>949</u>	-	<u>36,628</u>
Total revenues	<u>288,812</u>	<u>307,193</u>	<u>298,760</u>	<u>116</u>	<u>949</u>	-	<u>895,830</u>
Expenditures:							
Current -							
General government	310,643	18,239	15,086	-	-	-	343,968
Public safety - police	209,941	228,411	-	-	-	-	438,352
Streets	31,501	-	22,307	-	-	-	53,808
Parks and recreation	40,293	-	3,022	-	-	-	43,315
Capital outlay	<u>48,109</u>	-	<u>64,170</u>	-	-	-	<u>112,279</u>
Total expenditures	<u>640,487</u>	<u>246,650</u>	<u>104,585</u>	-	-	-	<u>991,722</u>
Excess (deficiency) of revenues over expenditures	<u>(351,675)</u>	<u>60,543</u>	<u>194,175</u>	<u>116</u>	<u>949</u>	-	<u>(95,892)</u>
Other financing sources (uses):							
Transfers in	274,285	-	-	-	39,392	-	313,677
Transfers out	-	-	(200,000)	-	-	-	(200,000)
Total other financing sources (uses)	<u>274,285</u>	-	<u>(200,000)</u>	-	<u>39,392</u>	-	<u>113,677</u>
Net changes in fund balances	(77,390)	60,543	(5,825)	116	40,341	-	17,785
Fund balances, beginning	<u>676,357</u>	<u>275,158</u>	<u>549,144</u>	<u>38,404</u>	<u>118,905</u>	<u>2</u>	<u>1,657,970</u>
Fund balances, ending	<u>\$ 598,967</u>	<u>\$ 335,701</u>	<u>\$ 543,319</u>	<u>\$ 38,520</u>	<u>\$ 159,246</u>	<u>\$ 2</u>	<u>\$ 1,675,755</u>

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

TOWN OF ARNAUDVILLE, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2019

Total net changes in fund balance at June 30, 2019 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ 17,785
The change in net position reported for governmental activities in the statement of activities is different because:		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay which are considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances	\$112,279	
Depreciation expense for the year ended June 30, 2019	<u>(106,616)</u>	5,663
Differences between the amount reported as expenses in the statement of activities and those reported as expenditures in the fund financial statements:		
Compensated absences	1,799	
Pension expense	<u>(18,456)</u>	(16,657)
Non-employer's contributions to the municipal employees and the police employees pension plans		<u>14,860</u>
Total net changes in net position at June 30, 2019 per Statement of Activities		<u>\$ 21,651</u>

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

TOWN OF ARNAUDVILLE, LOUISIANA

Statement of Net Position
 Proprietary Fund
 June 30, 2019

	<u>Enterprise Fund</u>
ASSETS	
Current assets:	
Cash and interest-bearing demand deposits	\$ 852,381
Interest-bearing time deposits	1,017,997
Receivables:	
Accounts	122,056
Other	3,079
Due from other governmental units	5,923
Due from other funds	12,019
Prepaid items	<u>11,789</u>
Total current assets	<u>2,025,244</u>
Noncurrent assets:	
Restricted assets -	
Cash and interest-bearing demand deposits	168,307
Interest-bearing time deposits	44,089
Capital assets, net of accumulated depreciation	<u>4,658,871</u>
Total noncurrent assets	<u>4,871,267</u>
Total assets	<u>6,896,511</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>127,783</u>
LIABILITIES	
Current liabilities:	
Accounts payable	23,383
Contracts payable	38,389
Retainage payable	4,265
Due to other funds	33,084
Accrued liabilities	12,981
Payable from restricted assets -	
Revenue bonds	39,000
Accrued interest payable	1,112
Customers' deposits payable	<u>58,055</u>
Total current liabilities	<u>210,269</u>
Noncurrent liabilities:	
Net pension liability	363,342
Revenue bonds payable	<u>113,000</u>
Total noncurrent liabilities	<u>476,342</u>
Total liabilities	<u>686,611</u>
DEFERRED INFLOWS OF RESOURCES	<u>36,037</u>
NET POSITION	
Net investment in capital assets	4,545,871
Restricted for debt service	114,229
Unrestricted	<u>1,641,546</u>
Total net position	<u>\$ 6,301,646</u>

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

TOWN OF ARNAUDVILLE

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

	Enterprise Fund
Operating revenues:	
Charges for services -	
Gas charges	\$ 325,616
Water charges	389,655
Sewer service charges	204,112
Sanitation charges	638
Miscellaneous	39,650
Total operating revenues	959,671
Operating expenses:	
Salaries	223,140
Payroll taxes and retirement	53,923
Retirement - GASB 68	(4,309)
Gas purchases	89,222
Supplies, repairs and maintenance	183,313
Professional fees	34,162
Telephone	5,744
Depreciation	258,223
Insurance	68,110
Utilities	29,128
Fire department expense	3,072
Office supplies	14,536
Miscellaneous	24,355
Total operating expenses	982,619
Operating loss	(22,948)

(continued)

TOWN OF ARNAUDVILLE, LOUISIANA

Statement of Revenues, Expenses, and Changes in Fund Net Position -
 Proprietary Fund (Continued)
 For the Year Ended June 30, 2019

	<u>Enterprise Fund</u>
Nonoperating revenues (expenses):	
Non-employer pension contribution	5,426
Interest income	4,602
Ad valorem taxes	55,143
Gain on sale of capital assets	5,886
Interest expense	<u>(7,863)</u>
Total nonoperating revenues (expenses)	<u>63,194</u>
Income before contributions and transfers	40,246
Capital contributions	38,200
Transfers out	<u>(113,677)</u>
Change in net position	(35,231)
Net position, beginning	<u>6,336,877</u>
Net position, ending	<u>\$ 6,301,646</u>

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

TOWN OF ARNAUDVILLE, LOUISIANA

Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2019

	<u>Enterprise Fund</u>
Cash flows from operating activities:	
Receipts from customers	\$ 964,773
Payments to suppliers	(549,088)
Payments to employees	<u>(169,217)</u>
Net cash provided by operating activities	<u>246,468</u>
Cash flows from noncapital financing activities:	
Cash received by other funds	(11,240)
Cash paid to other funds	32,151
Transfers to other funds	(113,677)
Ad valorem tax receipts	<u>56,210</u>
Net cash provided by noncapital financing activities	<u>(36,556)</u>
Cash flows from capital and related financing activities:	
Principal paid on revenue bonds and notes payable	(71,000)
Interest and fiscal charges paid on revenue bonds and notes payable	(8,320)
Decrease in customer deposits payable	(640)
Acquisition of property, plant and equipment	(233,903)
Grants	<u>38,200</u>
Net cash used by capital and related financing activities	<u>(275,663)</u>
Cash flows from investing activities:	
Maturities of interest-bearing time deposits	1,056,653
Purchase of interest-bearing time deposits	(1,062,086)
Interest on interest-bearing deposits	<u>4,602</u>
Net cash used by investing activities	<u>(831)</u>
Net decrease in cash and cash equivalents	(66,582)
Cash and cash equivalents, beginning of period	<u>1,087,270</u>
Cash and cash equivalents, end of period	<u>\$ 1,020,688</u>

(continued)

TOWN OF ARNAUDVILLE, LOUISIANA

Statement of Cash Flows
Proprietary Fund (Continued)
For the Year Ended June 30, 2019

	<u>Enterprise Fund</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (22,948)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	258,223
Pension	(4,309)
Changes in current assets and liabilities:	
Increase in accounts receivable	5,102
Decrease in other receivables	630
Decrease in prepaid items	7,928
Increase in accounts payable	(3,150)
Increase in accrued liabilities	<u>4,992</u>
Net cash provided by operating activities	<u>\$ 246,468</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:	
Cash and cash equivalents, beginning of period -	
Cash - unrestricted	\$ 920,605
Cash - restricted	<u>166,665</u>
Total cash and cash equivalents	<u>1,087,270</u>
Cash and cash equivalents, end of period -	
Cash - unrestricted	852,381
Cash - restricted	<u>168,307</u>
Total cash and cash equivalents	<u>1,020,688</u>
Net decrease	<u>\$ (66,582)</u>

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

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

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

A Financial Reporting Entity

The Town of Arnaudville was incorporated in 1909 under the provisions of the Lawrason Act. The Town operates under the Mayor-Board of Aldermen form of government.

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

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

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

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Fund Financial Statements

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

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

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

Several funds of the Town are considered to be major funds and 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 required to be accounted for in another fund.

Special Revenue Funds

1969 Sales Tax Fund -

The 1969 Sales Tax Fund is used to account for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for specific purposes.

1982 Sales Tax Fund -

The 1982 Sales Tax Fund is used to account for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for specific purposes.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Capital Projects Funds

Street Improvement Fund -

The Street Improvement Fund is used to account for the improvement of certain streets within the Town.

2% Set Aside Fund -

The 2% Set Aside Fund is 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).

LCDBG Grant Projects Fund -

The LCDBG Grant Projects Fund is used to account for the receipt and subsequent disbursement of Louisiana Community Block Grants and Town's matching funds to be utilized for the various projects. A sewer system improvement project began in the current fiscal year and is in progress at the end of the year.

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 applies all applicable principles under the Governmental Accounting Standards Board (GASB) in accounting and reporting for its enterprise fund. The Town's enterprise fund is the Utility Fund.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are derived from charges for services. All other revenues are reported as nonoperating.

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 ARNAUDVILLE, LOUISIANA

Notes to 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 assets.

Basis of Accounting

In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 “Accounting and Financial Reporting for Nonexchange Transactions.”

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

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

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

Cash, interest-bearing deposits, and investments

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

Interfund receivables and payables

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

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include ad valorem taxes, sales and use taxes, and franchise taxes. Business-type activities report customer's utility service receivables as their major receivables. An allowance for uncollectible ad valorem taxes was recorded at an amount equal to the receivable balance, because collection is unlikely. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month are estimated and recorded at June 30, 2019.

Capital Assets

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

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation. 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.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

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

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

Restricted Assets

Restricted assets include cash, interest-bearing deposits, and investments of the proprietary fund that are legally restricted as to their use. The restricted assets are related to 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 debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of the revenue bonds payable and utility meter deposits payable.

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

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures of revenues, respectively. At June 30, 2019, the Town's deferred outflows and inflows of resources are attributable to its pension plans.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Compensated Absences

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

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

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

At June 30, 2019, vested leave benefits have been accrued as required by GASB statement No. 16 "Accounting for Compensated Absences."

Equity Classifications

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

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

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

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

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

- b. **Restricted** – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. **Committed** – amounts that can be used only for specific purposes determined by a formal decision of the Town’s Mayor and Board of Aldermen, which is the highest level of decision-making authority for the Town.
- d. **Assigned** – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Town’s adopted policy, only the Mayor and Board of Aldermen may assign amounts for specified purposes.
- e. **Unassigned** – all other spendable amounts.

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

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

E. Capitalization of Interest Expense

It is the policy of the Town of Arnaudville to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets. At June 30, 2019, there was no material interest paid on borrowings for assets under construction, and therefore, no capitalized interest expense was recorded on the books.

F. 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 ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(2) Ad Valorem Taxes

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

For the year ended June 30, 2019, taxes of 12.72 mills were levied on property with assessed valuations totaling \$7,033,734 and were dedicated as follows:

General corporate purposes	5.72 mills
Utility system	7.00 mills

Total taxes levied were \$103,630. Taxes receivable at June 30, 2019 was \$14,456. The allowance for uncollectible accounts was \$4,586 at June 30, 2019; therefore, the net taxes receivable is \$4,706 at June 30, 2019.

(3) Sales and Use Tax

Proceeds of a 1 percent sales and use tax (accounted for in the 1969 Sales Tax Fund - a special revenue fund) levied by the Town of Arnaudville (2019 collections \$290,310) are dedicated to the following purposes:

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

Proceeds of a 1 percent sales and use tax (accounted for in the 1982 Sales Tax Fund - a special revenue fund) levied by the Town of Arnaudville (2019 collections \$290,310) are dedicated to the following purposes:

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

The above sales taxes were issued in perpetuity.

(4) Cash and Interest-Bearing Deposits and Investments

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

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

At June 30, 2019, the Town had cash and interest-bearing deposits (book balances) totaling \$3,704,162 as follows:

Demand deposits	\$2,137,071
Time deposits	<u>1,567,091</u>
Total	<u>\$3,704,162</u>

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

Deposit balances (bank balances) at June 30, 2019 were secured as follows:

Bank balances	<u>\$3,974,927</u>
Federal deposit insurance	1,000,000
Pledged securities	<u>2,974,927</u>
Total FDIC insurance and pledged securities	<u>\$3,974,927</u>

Deposits in the amount of \$2,974,927 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the Town's name. Even though the pledged securities are considered uncollateralized, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Town that the fiscal agent has failed to pay deposited funds upon demand. The Town does not have a policy for custodial credit risk.

(5) Receivables

Receivables at June 30, 2019 of \$129,074 consist of the following:

	General	1969 Sales Tax	1982 Sales Tax	2% Set Aside	Utility	Total
Accounts	\$ -	\$ -	\$ -	\$ -	\$ 188,349	\$ 188,349
Allowance	-	-	-	-	(68,883)	(68,883)
Taxes	2,116	-	-	-	2,590	4,706
Other	-	-	-	-	200	200
Interest	-	<u>918</u>	<u>701</u>	<u>204</u>	<u>2,879</u>	<u>4,702</u>
Totals	<u>\$ 2,116</u>	<u>\$ 918</u>	<u>\$ 701</u>	<u>\$ 204</u>	<u>\$ 125,135</u>	<u>\$ 129,074</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(6) Due from Other Governmental Units

Amounts due from other governmental units at June 30, 2019 consisted of the following:

General Fund:

Amount due from the St. Landry Parish Housing Authority for payments in lieu of taxes for the fiscal year ended June 30, 2019 \$ 4,846

1969 Sales Tax Special Revenue Fund:

Amount due from the St. Landry Parish School Board for sales tax revenues for the month of June 2019 26,755

1982 Sales Tax Special Revenue Fund:

Amount due from the St. Landry Parish School Board for sales tax revenues for the month of June 2019 26,755

Utility Fund:

Amount due from the St. Landry Parish Housing Authority for payments in lieu of taxes for the fiscal year ended June 30, 2019 5,923
\$ 64,279

(7) Restricted Assets - Proprietary Fund Type

Restricted assets in the business-type activities consisted of the following at June 30, 2019:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Construction funds - street improvements	\$ 20,443	\$ -	\$ 20,443
Revenue bond sinking and interest redemption fund	-	55,282	55,282
Revenue bond reserve fund	-	21,985	21,985
Revenue bond capital additions and contingencies fund	-	77,074	77,074
Customers' deposits	-	58,055	58,055
Total restricted assets	<u>\$ 20,443</u>	<u>\$212,396</u>	<u>\$232,839</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(8) Capital Assets

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance 7/1/2018	Additions	Deletions	Balance 6/30/2019
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 137,498	\$ 64,170	\$ -	\$ 201,668
Other capital assets:				
Buildings and improvements	1,172,336	-	-	1,172,336
Infrastructure	1,276,128	10,612	-	1,286,740
Equipment and vehicles	543,976	37,497	12,241	569,232
Totals	<u>3,129,938</u>	<u>112,279</u>	<u>12,241</u>	<u>3,229,976</u>
Less accumulated depreciation				
Buildings and improvements	428,093	28,960	-	457,053
Infrastructure	505,730	38,301	-	544,031
Equipment and vehicles	383,261	39,355	12,241	410,375
Total accumulated depreciation	<u>1,317,084</u>	<u>106,616</u>	<u>12,241</u>	<u>1,411,459</u>
Governmental activities, capital assets, net	<u>\$ 1,812,854</u>	<u>\$ 5,663</u>	<u>\$ -</u>	<u>\$ 1,818,517</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 48,179	\$ -	\$ -	\$ 48,179
Construction in progress	93,428	86,096	119,187	60,337
Other capital assets:				
Plant and equipment - gas	891,766	92,597	32,995	951,368
Plant and equipment - water system	3,316,916	123,286	-	3,440,202
Plant and equipment - sewer system	3,725,925	6,487	-	3,732,412
Auto and office equipment	397,187	-	31,987	365,200
Totals	<u>8,473,401</u>	<u>308,466</u>	<u>184,169</u>	<u>8,597,698</u>
Less accumulated depreciation				
Plant and equipment - gas	614,548	113,594	32,995	695,147
Plant and equipment - water system	1,326,049	16,058	-	1,342,107
Plant and equipment - sewer system	1,499,665	112,146	-	1,611,811
Auto and office equipment	305,060	16,425	31,723	289,762
Total accumulated depreciation	<u>3,745,322</u>	<u>258,223</u>	<u>64,718</u>	<u>3,938,827</u>
Business-type activities, capital assets, net	<u>\$ 4,728,079</u>	<u>\$ 50,243</u>	<u>\$ 119,451</u>	<u>\$ 4,658,871</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 36,716
Police	25,551
Streets	36,238
Park and recreation	8,111
Total depreciation expense	<u>\$ 106,616</u>

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

Gas	\$ 119,507
Water	23,285
Sewer	115,431
Total depreciation expense	<u>\$ 258,223</u>

(9) Accounts, Salaries, and Other Payables

The accounts, salaries, and other payables consisted of the following at June 30, 2019:

	Governmental Activities	Business-Type Activities	Total
Accounts	\$ 31,368	\$ 14,678	\$ 46,046
Contracts payable	-	38,389	38,389
Retainage payable	-	4,265	4,265
Accrued salaries	9,036	5,818	14,854
Accrued liabilities	-	7,163	7,163
Accrued interest payable	-	1,112	1,112
Compensated absences	13,140	8,705	21,845
Totals	<u>\$ 53,544</u>	<u>\$ 80,130</u>	<u>\$ 133,674</u>

(10) Long-Term Liabilities

The following is a summary of long-term liabilities transactions of the Town for the year ended June 30, 2019:

	<u>Bonds Payable</u>
Long-term liabilities at July 1, 2018	\$ 223,000
Additions	-
Reductions	<u>(71,000)</u>
Long-term liabilities at June 30, 2019	<u>\$ 152,000</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

The bonds payable are attributable to business-type activities and are payable from proprietary (Enterprise Fund) revenues.

Bonds payable at June 30, 2019 is comprised of the following:

		<u>Due Within One Year</u>
Revenue Bonds:		
\$245,000 Utility Bonds dated 3/24/82; due in annual installments of \$3,000 to \$13,000 through 3/24/22; interest at 5.00 percent	\$ 37,000	\$ 12,000
\$360,000 Water Bond (Prairie Des Femmes Acquisition), Series 2007 dated 10/5/07; due in annual installments of \$10,000 to \$31,000 through 5/1/23; original interest at 4.42 percent, reduced to 3.16 percent effective 1/1/12	<u>115,000</u>	<u>27,000</u>
	<u>\$ 152,000</u>	<u>\$ 39,000</u>

Interest in the amount of \$7,863 was charged to expense and allocated to the water department.

The annual requirements to amortize the outstanding debt as of June 30, 2019 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 39,000	\$ 5,484	\$ 44,484
2021	40,000	4,031	44,031
2022	42,000	2,546	44,546
2023	<u>31,000</u>	<u>980</u>	<u>31,980</u>
	<u>\$ 152,000</u>	<u>\$ 13,041</u>	<u>\$ 165,041</u>

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

- A. Under the terms of the bond indenture on outstanding utility revenue bonds dated March 24, 1982, 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 certificates and are to be set aside into the following funds:

Each month there will be set aside into a "Bond and Interest Redemption Fund", also called the "Sinking Fund", an amount consisting of 1/12 of the next maturing installment of principal and interest on the outstanding certificates. Such transfers must be made on or before the 20th day of each month to assure the prompt payment of principal and interest installments as they become due and may be used only for such payments.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Five percent (5%) of the amount to be paid into the Bond and Interest Redemption Fund each month must be deposited into a "Bond Reserve Fund" until there is on deposit an amount equal to \$15,550. Also, there will be set aside into a "Capital Additions and Contingencies Fund" \$119 per month. Monies in this account may be used for the making of extraordinary repairs or replacements to the system which are necessary to keep the system in operating condition and for which money is not available as a maintenance and operation expense.

- B. For the payment of the principal and the interest on the Public Improvement Bonds (2004), a Sinking Fund must be established and maintained with the regularly designated fiscal agent bank of the Town. The Town shall deposit in said Sinking Fund at least three (3) days in advance of the date on which each payment of principal and/or interest on the Bonds falls due, funds fully sufficient to promptly pay the maturing principal and/or interest so falling due on such date.

The Public Improvement Bonds (2004) have no additional reserve and contingency fund requirements.

All revenues received in any fiscal year and not required to be paid in such fiscal year into any of the above noted accounts shall be regarded as surplus and may be used for any lawful corporate purpose.

(12) Pension Plans

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

Plan Descriptions:

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

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

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

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

¹ With actuarial reduced benefits

² Membership commencing January 1, 2013

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

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

Contributions

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee. Contributions of employees, employers, and non-employer contributing entities effective for the year ended June 30, 2019 for the defined benefit pension plans in which the Town is a participating employer were as follows:

<u>Plan</u>	<u>Active Member Contribution Percentage</u>	<u>Employer Contribution Percentage</u>	<u>Nonemployer Contributing Entities</u>	<u>Government Contributions</u>
MERS	9.50%	26.00%	\$ 10,238	\$ 89,619
MPERS	10.00%	32.25%	10,048	33,872
Total			<u>\$ 20,286</u>	<u>\$ 123,491</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Net Pension Liability

The Town's net pension liability at June 30, 2019 is comprised of its proportionate share of the net pension liability relating to each of the cost-sharing plans in which the Town is a participating employer. The Town's net pension liability for each plan was measured as of the plan's measurement date (June 30, 2017 for both plans) and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportionate share of the net pension liability for each of the plans in which it participates was based on the Town's required contributions in proportion to total required contributions for all employers. As of the most recent measurement date, the Town's proportion for each plan and the change in proportion from the prior measurement date were as follows:

<u>Plan</u>	<u>Proportionate Share of Net Pension Liability</u>	<u>Proportionate Share (%) of Net Pension Liability</u>	<u>Increase/(Decrease) from Prior Measurement Date</u>
MERS	\$ 685,551	0.165565%	0.010810%
MPERS	430,472	0.050919%	-0.008208%
Total	<u>\$1,116,023</u>		

Since the measurement date of the net pension liability was June 30, 2017, the net pension liability is based upon fiduciary net position for each of the plans as of those dates. Detailed information about each pension plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the Town's net pension liability is available in the separately issued plan financial reports for those fiscal years. The financial report for each plan may be accessed on their website as follows:

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

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Actuarial Assumptions

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

	<u>MERS</u>	<u>MPERS</u>
Valuation date	6/30/2018	6/30/2018
Actuarial cost method	Entry Age Normal	Entry Age Normal
Investment rate of return	7.275%, net of investment expense	7.2%, net of investment expense
Expected remaining service lives	3	4
Inflation rate	2.6%	2.6%
Projected salary increases	5.0%	4.25% - 9.75%
Projected benefit changes including COLAs	None	None
Source of mortality assumptions	(1), (2), (3)	(3), (4), (5)
(1) RP-2000 Healthy Annuitant Sex Distinct Mortality Tables set forward 2 years for males and set forward 1 year for females projected to 2028 using Scale AA (2) RP-2000 Employees Sex Distinct Table set back 2 years for both males and females (3) RP-2000 Disabled Lives Mortality Table set back 5 years for males and set back 3 years for females (4) RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables Projected to 2029 by Scale AA (set back 1 year for females) (5) RP-2000 Employee Table set back 4 years for males and set back 3 years for females		

Cost of Living Adjustments

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

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

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Long-term Rate of Return

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

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

Asset Class	MERS		MPERS	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income	35%	1.50%	22%	0.46%
Equities	50%	2.20%	52%	3.58%
Alternative Investments	15%	0.60%	20%	1.07%
Other	-	-	6%	0.17%
Totals	<u>100%</u>	4.30%	<u>100%</u>	5.28%
Inflation		<u>2.70%</u>		<u>2.75%</u>
Expected arithmetic nominal return		<u>7.00%</u>		<u>8.03%</u>

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

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended June 30, 2019, the Town recognized \$42,954 and \$96,067 in pension expense related to MERS and PERS, respectively.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Basic Financial Statements (Continued)

At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		
	MERS	MPERS	Total
Difference between expected and actual experience	\$ -	\$ 1,941	\$ 1,941
Changes of assumptions	20,637	28,131	48,768
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	24,483	35,082	59,565
Net differences between projected and actual earnings on plan investments	105,058	20,636	125,694
Contributions subsequent to the measurement date	91,002	33,872	124,874
Total	<u>\$ 241,180</u>	<u>\$ 119,662</u>	<u>\$ 360,842</u>

	Deferred Inflows of Resources		
	MERS	MPERS	Total
Difference between expected and actual experience	\$ 24,375	\$ 21,998	\$ 46,373
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	43,620	59,309	102,929
Total	<u>\$ 67,995</u>	<u>\$ 81,307</u>	<u>\$ 149,302</u>

Deferred outflows of resources of \$124,874 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending June 30, 2020. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

Year Ended June 30,	MERS	MPERS	Total
2020	\$ 25,707	\$ 38,462	\$ 64,169
2021	44,207	(7,135)	37,072
2022	9,266	(27,594)	(18,328)
2023	3,003	750	3,753
	<u>\$ 82,183</u>	<u>\$ 4,483</u>	<u>\$ 86,666</u>

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net positions was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for MERS and MPERS was 7.275% and 7.2%, respectively, which represents a decrease of 0.125% from the prior year for each plan.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Basic Financial Statements (Continued)

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

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

<u>Plan</u>	<u>Current Discount Rate</u>	<u>Net Pension Liability</u>		
		<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
MERS	7.275%	\$ 880,653	\$ 685,551	\$ 519,025
MPERS	7.200%	604,933	430,472	280,107
Total		<u>\$1,485,586</u>	<u>\$1,116,023</u>	<u>\$799,132</u>

Payables to the Pension Plans

At June 30, 2019, the Town's payables were \$10,137 and \$3,800 to MERS and MPERS, respectively, for the month of June 2019, which were the contractually required contributions.

(13) Departmental Information for the Enterprise Fund

The Town of Arnaudville maintains one enterprise fund with four departments, which provides gas, water, sewerage and sanitation (on a limited basis) services. Departmental information for the year ended June 30, 2019 was as follows:

	<u>Gas Department</u>	<u>Water Department</u>	<u>Sewerage Department</u>	<u>Sanitation Department</u>	<u>Total Enterprise Fund</u>
Operating revenues	<u>\$ 353,615</u>	<u>\$ 401,252</u>	<u>\$204,166</u>	<u>\$ 638</u>	<u>\$ 959,671</u>
Operating expenses:					
Depreciation expense	119,507	23,285	115,431	-	258,223
Other operating expenses	<u>226,542</u>	<u>342,720</u>	<u>146,600</u>	<u>8,534</u>	<u>724,396</u>
Total operating expenses	<u>346,049</u>	<u>366,005</u>	<u>262,031</u>	<u>8,534</u>	<u>982,619</u>
Operating income (loss)	<u>\$ 7,566</u>	<u>\$ 35,247</u>	<u>\$(57,865)</u>	<u>\$(7,896)</u>	<u>\$(22,948)</u>

(14) On-Behalf Payment of Salaries

The State of Louisiana paid the Town's policemen \$15,017 of supplemental pay during the year ended June 30, 2019. Such payments are recorded as intergovernmental revenues and public safety and general government expenditures in the government-wide and General Fund financial statements.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(15) Risk Management

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

(16) Pending Litigation

At June 30, 2019, the Town is not involved in any litigation.

(17) Compensation of Town Officials

A detail of compensation paid to the Mayor, Chief of Police, and Board of Aldermen for the year ended June 30, 2019 follows:

Kathy Richard, Mayor (7/1/18 - 12/31/18)	\$ 7,728
Todd Meche, Mayor (1/1/19 - 6/30/19)	7,727
Eddie LeCompte, Chief of Police	31,624
Aldermen:	
Annette Bramlett (7/1/18 - 12/31/18)	2,100
Jamie Huval (7/1/18 - 6/30/19)	4,200
Debra Kidder (1/1/19 - 6/30/19)	2,100
Kevin Robin (1/1/19 - 6/30/19)	2,100
Todd Meche (7/1/18 - 12/31/18)	2,100
Cynthia Stelly (7/1/18 - 12/31/18)	2,100
Louis Stelly Jr. (7/1/18 - 12/31/18)	2,100
Suzanne Stelly (7/1/18 - 6/30/19)	4,200
	<u>\$68,079</u>

(18) Act 706-Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Entity Head

Under Act 706, the Town of Arnaudville is required to disclose the compensation, reimbursements, benefits, and other payments made to the mayor, in which the payments are related to the position. The following is a schedule of payments made to the Mayor for the year ended June 30, 2019.

	Kathy Richard, Mayor 7/1/2018 - 12/31/2018	Todd Meche, Mayor 1/1/2019 - 06/30/2019
Salary	\$ 7,728	\$ 7,727
Benefits - retirement	1,994	2,009
Registration fees	495	250
Cell phone	320	320
Special meals	231	-
Other	75	-
	<u>\$ 10,843</u>	<u>\$ 10,306</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(19) Interfund Transactions

A. Receivables and Payables

Interfund receivables and payables consisted of the following at June 30, 2019:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Funds:		
Governmental Funds:		
General Fund	\$ 31,791	\$ 20,497
1969 Sales Tax Special Revenue Fund	13,624	2,319
1982 Sales Tax Special Revenue Fund	1,756	5,610
2% Set Aside Capital Projects Fund	2,320	-
Enterprise Fund:		
Utility Fund	12,019	33,084
Total	\$ 61,510	\$ 61,510

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 June 30, 2019:

	<u>Interfund Transfers In</u>	<u>Interfund Transfers Out</u>
Major Funds:		
Governmental Funds:		
General Fund	\$ 274,285	\$ -
1982 Sales Tax Special Revenue Fund	-	200,000
2% Set Aside Capital Projects Fund	39,392	-
Enterprise Fund:		
Utility Fund	-	113,677
Total	\$ 313,677	\$ 313,677

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

**REQUIRED SUPPLEMENTARY
INFORMATION**

TOWN OF ARNAUDVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 106,490	\$ 104,425	\$ 107,193	\$ 2,768
Licenses and permits	101,000	100,535	104,413	3,878
Intergovernmental	40,546	37,040	28,889	(8,151)
Fines and forfeits	32,500	21,990	23,139	1,149
Miscellaneous	30,790	26,295	25,178	(1,117)
Total revenues	<u>311,326</u>	<u>290,285</u>	<u>288,812</u>	<u>(1,473)</u>
Expenditures:				
General government	262,185	298,025	310,643	(12,618)
Public safety - police	233,102	212,350	209,941	2,409
Streets	11,280	29,200	31,501	(2,301)
Parks and recreation	50,140	45,003	40,293	4,710
Capital outlay	47,700	36,612	48,109	(11,497)
Total expenditures	<u>604,407</u>	<u>621,190</u>	<u>640,487</u>	<u>(19,297)</u>
Deficiency of revenues over expenditures	<u>(293,081)</u>	<u>(330,905)</u>	<u>(351,675)</u>	<u>(20,770)</u>
Other financing sources:				
Transfer from 1982 Sales Tax Fund	200,000	200,000	200,000	-
Transfer from Utility Fund	74,285	74,285	74,285	-
Total other financing sources	<u>274,285</u>	<u>274,285</u>	<u>274,285</u>	<u>-</u>
Net change in fund balances	(18,796)	(56,620)	(77,390)	(20,770)
Fund balance, beginning	<u>676,357</u>	<u>676,357</u>	<u>676,357</u>	<u>-</u>
Fund balance, ending	<u>\$ 657,561</u>	<u>\$ 619,737</u>	<u>\$ 598,967</u>	<u>\$ (20,770)</u>

TOWN OF ARNAUDVILLE, LOUISIANA
1969 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 269,560	\$ 296,200	\$ 290,310	(5,890)
On-behalf payments	21,750	15,017	15,017	-
Miscellaneous - interest and other	-	-	1,866	1,866
Total revenues	<u>291,310</u>	<u>311,217</u>	<u>307,193</u>	<u>(4,024)</u>
Expenditures:				
General government -				
Bank charges	150	150	-	150
Collection fees	2,905	4,500	2,648	1,852
Professional fees	12,000	16,225	15,591	634
Total general government	<u>15,055</u>	<u>20,875</u>	<u>18,239</u>	<u>2,636</u>
Public safety - police -				
Salaries	200,537	180,000	175,843	4,157
Supplemental pay	21,750	15,017	15,017	-
Worker's compensation	19,006	13,925	12,529	1,396
Payroll taxes and retirement	63,925	44,190	25,022	19,168
Miscellaneous	250	250	-	250
Total public safety	<u>305,468</u>	<u>253,382</u>	<u>228,411</u>	<u>24,971</u>
Total expenditures	<u>320,523</u>	<u>274,257</u>	<u>246,650</u>	<u>27,607</u>
Net change in fund balance	(29,213)	36,960	60,543	23,583
Fund balance, beginning	<u>275,158</u>	<u>275,158</u>	<u>275,158</u>	<u>-</u>
Fund balance, ending	<u>\$ 245,945</u>	<u>\$ 312,118</u>	<u>\$ 335,701</u>	<u>\$ 23,583</u>

TOWN OF ARNAUDVILLE, LOUISIANA
1982 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2019

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 269,560	\$296,200	\$290,310	\$ (5,890)
Miscellaneous - interest and other	5,311	7,035	8,450	1,415
Total revenues	<u>274,871</u>	<u>303,235</u>	<u>298,760</u>	<u>(4,475)</u>
Expenditures:				
General government -				
Collection fees	2,905	4,405	2,648	1,757
Professional fees	8,870	11,450	12,438	(988)
Total general government	11,775	15,855	15,086	769
Streets -				
Utilities - street lighting	24,090	20,000	22,307	(2,307)
Culture and recreation -				
Park utilities	3,895	3,895	3,022	873
Capital outlay -				
Land	75,000	64,170	64,170	-
Total expenditures	<u>114,760</u>	<u>103,920</u>	<u>104,585</u>	<u>(665)</u>
Excess of revenues over expenditures	160,111	199,315	194,175	(5,140)
Other financing use:				
Transfer to General Fund	(200,000)	(200,000)	(200,000)	-
Net change in fund balance	(39,889)	(685)	(5,825)	(5,140)
Fund balance, beginning	549,144	549,144	549,144	-
Fund balance, ending	<u>\$ 509,255</u>	<u>\$548,459</u>	<u>\$ 543,319</u>	<u>\$ (5,140)</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Schedule of Employer's Share of Net Pension Liability
For the Year Ended June 30, 2019

Year Ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Municipal Employees' Retirement System:					
2015	\$ 580,186	0.226066%	\$ 276,227	210.0%	73.99%
2016	818,381	0.318877%	364,059	224.8%	66.18%
2017	804,945	0.196390%	350,864	229.4%	62.11%
2018	647,405	0.154755%	281,051	230.4%	62.49%
2019	685,551	0.165565%	302,277	226.8%	63.94%
Municipal Police Employees' Retirement System:					
2015	211,200	0.033759%	102,724	205.6%	75.10%
2016	339,524	0.054271%	115,860	293.0%	70.73%
2017	582,905	0.062191%	171,548	339.8%	66.04%
2018	516,204	0.059127%	174,955	295.0%	70.08%
2019	430,472	0.050919%	150,271	286.5%	71.89%

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

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

TOWN OF ARNAUDVILLE, LOUISIANA

Schedule of Employer Contributions
For the Year Ended June 30, 2019

<u>Year Ended June 30,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractual Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
Municipal Employees' Retirement System:					
2015	\$ 71,902	\$ 71,902	\$ -	\$ 364,059	19.75%
2016	69,296	69,296	-	350,864	19.75%
2017	63,939	63,939	-	281,051	22.75%
2018	89,619	89,619	-	302,277	29.65%
2019	89,619	89,619	-	344,688	26.00%
Municipal Police Employees' Retirement System:					
2015	36,496	36,496	-	115,860	31.50%
2016	50,607	50,607	-	171,548	29.50%
2017	55,548	55,548	-	174,955	31.75%
2018	46,208	46,208	-	150,271	30.75%
2019	33,872	33,872	-	105,028	32.25%

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

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Required Supplementary Information
For the Year Ended June 30, 2019

(1) Budget and Budgetary Accounting

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

1. The Town Clerk submits, no later than 15 days prior to the beginning of each fiscal year, to the Mayor and Board of Aldermen a proposed operating budget.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board of Aldermen.

(2) Pension Plans

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

OTHER SUPPLEMENTARY INFORMATION

TOWN OF ARNAUDVILLE, LOUISIANA

Statement of Net Position
 June 30, 2019
 With Comparative Totals for June 30, 2018

	6/30/2019		Total	2018 Totals
	Governmental Activities	Business-Type Activities		
ASSETS				
Current assets:				
Cash and interest-bearing demand deposits	\$ 1,095,940	\$ 852,381	\$ 1,948,321	\$ 2,035,598
Interest-bearing time deposits	505,005	1,017,997	1,523,002	1,477,163
Receivables, net	3,939	125,135	129,074	133,102
Internal balances	21,065	(21,065)	-	-
Due from other governmental units	58,356	5,923	64,279	70,088
Prepaid items	11,411	11,789	23,200	38,432
Total current assets	<u>1,695,716</u>	<u>1,992,160</u>	<u>3,687,876</u>	<u>3,754,383</u>
Noncurrent assets:				
Restricted assets:				
Cash and interest-bearing demand deposits	20,443	168,307	188,750	187,108
Interest-bearing time deposits	-	44,089	44,089	43,822
Capital assets, net	1,818,517	4,658,871	6,477,388	6,540,933
Total noncurrent assets	<u>1,838,960</u>	<u>4,871,267</u>	<u>6,710,227</u>	<u>6,771,863</u>
Total assets	<u>3,534,676</u>	<u>6,863,427</u>	<u>10,398,103</u>	<u>10,526,246</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>233,059</u>	<u>127,783</u>	<u>360,842</u>	<u>413,791</u>
LIABILITIES				
Current liabilities:				
Accounts, salaries and other payables	53,544	80,130	133,674	170,458
Bonds payable	-	39,000	39,000	71,000
Customers' deposits payable	-	58,055	58,055	58,695
Total current liabilities	<u>53,544</u>	<u>177,185</u>	<u>230,729</u>	<u>300,153</u>
Noncurrent liabilities:				
Net pension liability	752,681	363,342	1,116,023	1,163,609
Bonds payable	-	113,000	113,000	152,000
Total noncurrent liabilities	<u>752,681</u>	<u>476,342</u>	<u>1,229,023</u>	<u>1,315,609</u>
Total liabilities	<u>806,225</u>	<u>653,527</u>	<u>1,459,752</u>	<u>1,615,762</u>
DEFERRED INFLOWS OF RESOURCES	<u>113,265</u>	<u>36,037</u>	<u>149,302</u>	<u>160,804</u>
NET POSITION				
Net investment in capital assets	1,818,517	4,545,871	6,364,388	6,388,933
Restricted for sales tax dedications	879,020	-	879,020	824,302
Restricted for capital projects/acquisitions	20,443	-	20,443	20,443
Restricted for debt service	-	114,229	114,229	79,223
Unrestricted	130,265	1,641,546	1,771,811	1,850,570
Total net position	<u>\$ 2,848,245</u>	<u>\$ 6,301,646</u>	<u>\$ 9,149,891</u>	<u>\$ 9,163,471</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Balance Sheet
 General and Special Revenue Funds
 June 30, 2019
 With Comparative Amounts for June 30, 2018

	General		1969 Sales Tax Special Revenue		1982 Sales Tax Special Revenue	
	2019	2018	2019	2018	2019	2018
ASSETS						
Cash and interest-bearing demand deposits	\$ 599,439	\$ 571,078	\$ 77,450	\$ 120,864	\$ 400,972	\$ 405,088
Interest-bearing time deposits	-	-	229,048	227,558	119,235	118,514
Receivables:						
Other	2,116	-	-	-	-	1,168
Interest	-	-	918	542	701	430
Due from other governmental units	4,846	9,633	26,755	26,733	26,755	26,733
Due from other funds	31,791	92,523	13,624	2,183	1,756	-
Prepaid items	11,411	18,715	-	-	-	-
Total assets	\$ 649,603	\$ 691,949	\$ 347,795	\$ 377,880	\$ 549,419	\$ 551,933
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 30,139	\$ 15,592	\$ 9,775	\$ 10,018	\$ 490	\$ 390
Due to other funds	20,497	-	2,319	92,704	5,610	2,399
Total liabilities	50,636	15,592	12,094	102,722	6,100	2,789
Fund balances -						
Nonspendable (prepaid items)	11,411	18,715	-	-	-	-
Restricted:						
Sales tax dedications	-	-	335,701	275,158	543,319	549,144
Unassigned	587,556	657,642	-	-	-	-
Total fund balances	598,967	676,357	335,701	275,158	543,319	549,144
Total liabilities and fund balances	\$ 649,603	\$ 691,949	\$ 347,795	\$ 377,880	\$ 549,419	\$ 551,933

TOWN OF ARNAUDVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			Variance with Final Budget Positive (Negative)	2018 Actual
	Budget		Actual		
	Original	Final			
Taxes:					
Ad valorem	\$ 40,240	\$ 44,080	\$ 43,823	\$ (257)	\$ 40,565
Payment in lieu of taxes	-	-	4,664	4,664	-
Franchise - electric, TV, etc.	<u>66,250</u>	<u>60,345</u>	<u>58,706</u>	<u>(1,639)</u>	<u>66,579</u>
Total taxes	<u>106,490</u>	<u>104,425</u>	<u>107,193</u>	<u>2,768</u>	<u>107,144</u>
Occupational licenses	<u>101,000</u>	<u>100,535</u>	<u>104,413</u>	<u>3,878</u>	<u>105,443</u>
Intergovernmental:					
State of Louisiana -					
Highway maintenance revenue	3,590	3,590	1,795	(1,795)	3,590
Beer taxes	4,456	4,540	3,255	(1,285)	4,510
Poker machines	<u>32,500</u>	<u>28,910</u>	<u>23,839</u>	<u>(5,071)</u>	<u>31,767</u>
Total intergovernmental	<u>40,546</u>	<u>37,040</u>	<u>28,889</u>	<u>(8,151)</u>	<u>39,867</u>
Fines and forfeits	<u>32,500</u>	<u>21,990</u>	<u>23,139</u>	<u>1,149</u>	<u>30,860</u>
Miscellaneous:					
Rent income	8,740	7,740	7,438	(302)	9,246
Recreation department income	21,810	18,280	14,096	(4,184)	24,918
Miscellaneous	<u>240</u>	<u>275</u>	<u>3,644</u>	<u>3,369</u>	<u>289</u>
Total miscellaneous	<u>30,790</u>	<u>26,295</u>	<u>25,178</u>	<u>(1,117)</u>	<u>34,453</u>
Total revenues	<u>\$311,326</u>	<u>\$290,285</u>	<u>\$288,812</u>	<u>\$ (1,473)</u>	<u>\$317,767</u>

TOWN OF ARNAUDVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019				
	Actual		Actual	Variance with	2018
	Original	Final		Final Budget	
			Positive (Negative)	Actual	
Current:					
General government -					
Council salaries	\$ 21,000	\$ 21,000	\$ 21,000	\$ -	\$ 21,000
Mayor's compensation	15,455	15,455	15,455	-	15,455
Clerk and other salaries	67,390	67,705	67,500	205	64,915
Payroll taxes and retirement	22,191	35,800	36,950	(1,150)	33,672
Worker's compensation insurance	1,895	1,650	1,362	288	1,269
Insurance	39,365	45,150	48,073	(2,923)	21,147
Utilities	14,800	12,800	12,612	188	13,575
Telephone	10,750	10,850	11,689	(839)	10,459
Professional fees	28,829	41,215	42,435	(1,220)	25,855
Computer related fees and software	3,200	6,200	9,206	(3,006)	4,783
Office supplies	4,075	4,390	5,513	(1,123)	4,792
Uniforms	350	-	-	-	297
Meetings and conventions	3,490	4,005	5,769	(1,764)	5,491
Travel	2,200	3,580	3,460	120	877
Dues	3,850	4,450	4,760	(310)	1,893
Tax roll and assessor's fee	2,870	3,200	3,200	-	2,869
Coffee and cokes	700	760	733	27	655
Coroner/medical	1,000	1,200	1,700	(500)	950
Repairs and maintenance	3,260	7,900	8,970	(1,070)	7,379
Miscellaneous	15,365	10,565	10,162	403	7,869
Postage	150	150	94	56	92
Total general government	262,185	298,025	310,643	(12,618)	245,294
Public safety - police -					
Salaries - dispatchers	113,929	108,000	103,672	4,328	108,533
Payroll taxes and retirement	31,215	24,380	24,197	183	18,911
Worker's compensation insurance	845	845	599	246	661
Insurance	740	1,050	2,352	(1,302)	1,278
Supplies	10,500	10,500	12,748	(2,248)	8,449
Prisoners meals and medical	800	800	616	184	416
Uniforms	3,000	2,000	3,237	(1,237)	3,246
Auto expenditures	35,716	32,050	30,263	1,787	28,371
Telephone	8,000	9,705	9,722	(17)	8,218
Repairs and maintenance	5,500	3,200	6,153	(2,953)	4,880
Miscellaneous	19,357	17,320	13,474	3,846	14,081
Training	3,500	2,500	2,908	(408)	1,371
Total public safety - police	233,102	212,350	209,941	2,409	198,415

(continued)

TOWN OF ARNAUDVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Actual	Variance with Final Budget Positive (Negative)	2018 Actual
	Budget				
	Original	Final			
Streets -					
Supplies	5,300	14,190	13,267	923	6,242
Equipment and street maintenance	5,000	15,000	18,224	(3,224)	5,198
Miscellaneous	980	10	10	-	6
Total streets	<u>11,280</u>	<u>29,200</u>	<u>31,501</u>	<u>(2,301)</u>	<u>11,446</u>
Parks and recreation -					
Coach's salary	14,400	14,400	15,000	(600)	14,137
Payroll taxes	1,195	1,195	1,102	93	1,102
Worker's compensation insurance	-	980	972	8	972
Repairs and maintenance	1,400	4,250	4,692	(442)	1,752
Uniforms and supplies	-	10,000	10,954	(954)	17,058
Equipment	-	1,600	1,872	(272)	4,812
Insurance	-	400	441	(41)	211
Utilities	-	-	-	-	40
Miscellaneous	33,145	12,178	5,260	6,918	8,009
Total parks and recreation	<u>50,140</u>	<u>45,003</u>	<u>40,293</u>	<u>4,710</u>	<u>48,093</u>
Capital outlay:					
General government -					
Equipment	-	8,595	22,440	(13,845)	-
Police -					
Equipment	18,700	17,402	13,118	4,284	10,662
Vehicles	8,000	-	-	-	17,903
Streets -					
Infrastructure	15,000	-	-	-	-
Parks and recreation -					
Equipment	6,000	10,615	12,551	(1,936)	2,959
Total capital outlay	<u>47,700</u>	<u>36,612</u>	<u>48,109</u>	<u>(11,497)</u>	<u>31,524</u>
Total expenditures	<u>\$ 604,407</u>	<u>\$ 621,190</u>	<u>\$ 640,487</u>	<u>\$ (19,297)</u>	<u>\$ 534,772</u>

TOWN OF ARNAUDVILLE, LOUISIANA
1969 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			Variance with Final Budget Positive (Negative)	2018 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$269,560	\$296,200	\$ 290,310	\$ (5,890)	\$ 272,915
On-behalf payments	21,750	15,017	15,017	-	23,300
Miscellaneous - interest and other	-	-	1,866	1,866	1,234
Total revenues	<u>291,310</u>	<u>311,217</u>	<u>307,193</u>	<u>(4,024)</u>	<u>297,449</u>
Expenditures:					
General government -					
Bank charges	150	150	-	(150)	136
Collection fees	2,905	4,500	2,648	(1,852)	2,444
Professional fees	12,000	16,225	15,591	(634)	12,704
Total general government	<u>15,055</u>	<u>20,875</u>	<u>18,239</u>	<u>(2,636)</u>	<u>15,284</u>
Public Safety -					
Police					
Salaries	200,537	180,000	175,843	4,157	180,553
Supplemental pay	21,750	15,017	15,017	-	23,300
Worker's compensation	19,006	13,925	12,529	1,396	13,273
Payroll taxes and retirement	63,925	44,190	25,022	19,168	40,750
Miscellaneous	250	250	-	250	-
Total public safety	<u>305,468</u>	<u>253,382</u>	<u>228,411</u>	<u>24,971</u>	<u>257,876</u>
Total expenditures	<u>320,523</u>	<u>274,257</u>	<u>246,650</u>	<u>27,607</u>	<u>273,160</u>
Excess (deficiency) of revenues over expenditures	(29,213)	36,960	60,543	23,583	24,289
Other financing use:					
Transfer to General Fund	-	-	-	-	(100,000)
Net change in fund balance	(29,213)	36,960	60,543	23,583	(75,711)
Fund balance, beginning	<u>275,158</u>	<u>275,158</u>	<u>275,158</u>	-	<u>350,869</u>
Fund balance, ending	<u>\$245,945</u>	<u>\$312,118</u>	<u>\$ 335,701</u>	<u>\$ 23,583</u>	<u>\$ 275,158</u>

TOWN OF ARNAUDVILLE, LOUISIANA
1982 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019		Actual	Variance with Final Budget Positive (Negative)	2018 Actual
	Budget				
	Original	Final			
Revenues:					
Taxes	\$ 269,560	\$ 296,200	\$ 290,310	\$ (5,890)	\$ 272,915
Miscellaneous - interest and other	5,311	7,035	8,450	1,415	7,600
Total revenues	<u>274,871</u>	<u>303,235</u>	<u>298,760</u>	<u>(4,475)</u>	<u>280,515</u>
Expenditures:					
General government -					
Collection fees	2,905	4,405	2,648	1,757	2,444
Professional fees	8,870	11,450	12,438	(988)	8,791
Total general government	11,775	15,855	15,086	769	11,235
Streets	24,090	20,000	22,307	(2,307)	23,664
Culture and recreation	3,895	3,895	3,022	873	3,809
Capital outlay	75,000	64,170	64,170	(665)	-
Total expenditures	<u>114,760</u>	<u>103,920</u>	<u>104,585</u>	<u>(1,330)</u>	<u>38,708</u>
Excess of revenues over expenditures	<u>160,111</u>	<u>199,315</u>	<u>194,175</u>	<u>(5,140)</u>	<u>241,807</u>
Other financing uses:					
Transfer to Utility Fund	-	-	-	-	(120,000)
Transfer to General Fund	(200,000)	(200,000)	(200,000)	-	(100,000)
Total other financing uses	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>	<u>(220,000)</u>
Net change in fund balance	(39,889)	(685)	(5,825)	(5,140)	21,807
Fund balance, beginning	549,144	549,144	549,144	-	527,337
Fund balance, ending	<u>\$ 509,255</u>	<u>\$ 548,459</u>	<u>\$ 543,319</u>	<u>\$ (5,140)</u>	<u>\$ 549,144</u>

TOWN OF ARNAUDVILLE, LOUISIANA
Street Improvement Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019				2018 Actual
	Budget		Actual	Variance with Final Budget Positive (Negative)	
	Original	Final			
Revenues:					
Miscellaneous - interest and other	\$ 68	\$ 100	\$ 116	\$ 16	\$ 86
Expenditures	-	-	-	-	-
Net change in fund balance	68	100	116	16	86
Fund balance, beginning	<u>38,404</u>	<u>38,404</u>	<u>38,404</u>	-	<u>38,318</u>
Fund balance, ending	<u>\$ 38,472</u>	<u>\$38,504</u>	<u>\$38,520</u>	<u>\$ 16</u>	<u>\$38,404</u>

TOWN OF ARNAUDVILLE, LOUISIANA
2% Set Aside Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	<u>2019</u>			Variance with Final Budget Positive (Negative)	2018 Actual
	<u>Budget</u>		<u>Actual</u>		
	<u>Original</u>	<u>Final</u>			
Revenues:					
Miscellaneous - interest and other	\$ 90	\$ 90	\$ 949	\$ 859	\$ 184
Expenditures	-	-	-	-	-
Excess of revenues over expenditures	90	90	949	859	184
Other financing source:					
Transfer from Utility Fund	<u>37,623</u>	<u>37,623</u>	<u>39,392</u>	<u>1,769</u>	<u>38,326</u>
Net change in fund balance	37,713	37,713	40,341	2,628	38,510
Fund balance, beginning	<u>118,905</u>	<u>118,905</u>	<u>118,905</u>	-	<u>80,395</u>
Fund balance, ending	<u>\$ 156,618</u>	<u>\$ 156,618</u>	<u>\$ 159,246</u>	<u>\$ 2,628</u>	<u>\$118,905</u>

**TOWN OF ARNAUDVILLE, LOUISIANA
LCDBG Grant Projects Fund**

**Budgetary Comparison Schedule
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018**

	2019			Variance with Final Budget Positive (Negative)	2018
	Budget		Actual		
	Original	Final			
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures	-	-	-	-	-
Net change in fund balance	-	-	-	-	-
Fund balance, beginning	<u>2</u>	<u>2</u>	<u>2</u>	-	<u>2</u>
Fund balance, ending	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 2</u>

TOWN OF ARNAUDVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
(Unaudited)
June 30, 2019 and 2018

Records maintained by the Town indicated the following number of customers were being serviced during the months of June 30, 2019 and 2018:

<u>Department</u>	<u>2019</u>	<u>2018</u>
Gas (metered)	613	616
Water (metered)	1,247	1,245
Sewer	576	585
Sanitation	26	27

TOWN OF ARNAUDVILLE, LOUISIANA

**Schedule of Insurance in Force
(Unaudited)
June 30, 2019**

<u>Description of Coverage</u>	<u>Coverage Amounts</u>
Workmen's compensation - Employer's liability	\$ 500,000
Surety bonds - Public employees	10,000
Treasurer	263,000
Commercial general liability	500,000
Law enforcement officers' liability	500,000
Public officials' errors and omissions liability	500,000
Business auto liability	500,000
Fire, lightning and extended coverage, vandalism and malicious mischief - Blanket on all Town property	1,570,014
Vehicle physical damage	1,500,000
Equipment physical damage	230,000
Blanket accident and health policy- Baseball, basketball and volleyball programs	250,000

TOWN OF ARNAUDVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Departmental Statement of Revenues and Expenses
Years Ended June 30, 2019 and 2018

	Totals		Gas	
	2019	2018	2019	2018
Operating revenues:				
Charges for services -				
Billings to customers	\$ 920,021	\$ 963,764	\$ 325,616	\$ 334,214
Delinquent charges	18,885	19,752	11,013	10,079
Other fees	20,765	36,290	16,986	18,955
Total operating revenues	<u>959,671</u>	<u>1,019,806</u>	<u>353,615</u>	<u>363,248</u>
Operating expenses:				
Salaries	223,140	183,184	41,270	24,000
Payroll taxes and retirement	53,923	42,098	5,676	2,333
Retirement - GASB 68	(4,309)	(43,751)	(289)	-
Gas purchases	89,222	89,122	89,222	89,122
Supplies, repairs and maintenance	183,313	160,846	91,342	59,059
Professional fees	34,162	24,911	3,085	2,348
Bad debts	-	2,582	-	878
Telephone	5,744	5,138	2,201	1,604
Depreciation	258,223	255,663	16,058	15,876
Insurance	68,110	34,926	26,079	13,292
Utilities	29,128	30,454	1,730	1,801
Fire department expense	3,072	3,072	-	-
Office supplies	14,536	10,408	-	-
Miscellaneous	24,355	33,484	7,488	16,706
Allocation of administrative expense	-	-	62,187	46,106
Total operating expenses	<u>982,619</u>	<u>832,137</u>	<u>346,049</u>	<u>273,125</u>
Operating income (loss)	<u>(22,948)</u>	<u>187,669</u>	<u>\$ 7,566</u>	<u>\$ 90,123</u>
Nonoperating revenues (expenses):				
Non-employer pension contribution	5,426	4,696		
Interest income	4,602	5,980		
Ad valorem taxes/Housing Authority in lieu of taxes	55,143	47,827		
Gain on sale of capital assets	5,886	-		
Interest expense	(7,863)	(9,308)		
Total nonoperating revenues (expenses)	<u>63,194</u>	<u>49,195</u>		
Income before contributions and transfers	<u>40,246</u>	<u>236,864</u>		
Capital contributions	<u>38,200</u>	<u>-</u>		
Transfers in (out):				
Transfer from 1982 Sales Tax Fund	-	120,000		
Transfer to General Fund	(74,285)	(74,285)		
Transfer to 2% Set Aside Fund	(39,392)	(38,326)		
Total transfers in (out)	<u>(113,677)</u>	<u>7,389</u>		
Change in net position	<u>(35,231)</u>	<u>244,253</u>		
Net position, beginning	<u>6,336,877</u>	<u>6,092,624</u>		
Net position, ending	<u>\$ 6,301,646</u>	<u>\$ 6,336,877</u>		

Water		Sewer		Sanitation		Administration	
2019	2018	2019	2018	2019	2018	2019	2018
\$ 389,655	\$ 417,975	\$ 204,112	\$ 210,948	\$ 638	\$ 627	\$ -	\$ -
7,818	9,513	54	150	-	10	-	-
3,779	17,335	-	-	-	-	-	-
<u>401,252</u>	<u>444,823</u>	<u>204,166</u>	<u>211,098</u>	<u>638</u>	<u>637</u>	<u>-</u>	<u>-</u>
79,552	60,073	37,385	37,444	-	-	64,933	61,667
20,795	14,807	9,372	8,934	-	-	18,080	16,024
(1,723)	(16,232)	(780)	(9,800)	-	-	(1,517)	(17,719)
-	-	-	-	-	-	-	-
43,269	70,058	48,702	31,729	-	-	-	-
3,084	2,348	3,085	2,349	-	-	24,908	17,866
-	1,084	-	620	-	-	-	-
-	-	-	-	-	-	3,543	3,534
113,594	111,198	112,146	111,339	-	-	16,425	17,250
16,501	8,755	9,531	5,316	-	-	15,999	7,563
10,910	11,777	5,734	5,903	-	-	10,754	10,973
3,072	3,072	-	-	-	-	-	-
-	-	-	-	-	-	14,536	10,408
6,387	6,104	951	1,951	8,422	6,849	1,107	1,874
<u>70,564</u>	<u>56,460</u>	<u>35,905</u>	<u>26,794</u>	<u>112</u>	<u>80</u>	<u>(168,768)</u>	<u>(129,440)</u>
<u>366,005</u>	<u>329,504</u>	<u>262,031</u>	<u>222,579</u>	<u>8,534</u>	<u>6,929</u>	<u>-</u>	<u>-</u>
<u>\$ 35,247</u>	<u>\$ 115,319</u>	<u>\$ (57,865)</u>	<u>\$ (11,481)</u>	<u>\$ (7,896)</u>	<u>\$ (6,292)</u>	<u>\$ -</u>	<u>\$ -</u>

**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

1201 David Dr.
Morgan City, LA 70380
Phone (985) 384-2020

434 E. Main St.
Ville Platte, LA 70586
Phone (337) 383-2792

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

* A Professional Accounting Corporation

WWW.KCSRCPAS.COM

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

The Honorable Todd Meche, Mayor
and members of the Board of Aldermen
Town of Arnaudville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Arnaudville, Louisiana (Town), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated September 26, 2019.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as items 2019-001(IC) and 2019-002(IC) to be material weaknesses.

Compliance and Other Matters

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

Town of Arnaudville, Louisiana's Response to Findings

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

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
September 26, 2019

TOWN OF ARNAUDVILLE, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 2019

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

A. Internal Control Over Financial Reporting

2019-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

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

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

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

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

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

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

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

TOWN OF ARNAUDVILLE, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 2019

2019-002 Inadequate Internal Controls Over Youth League Activities

Fiscal year finding initially occurred: 2019

Condition: The Town failed to have proper internal controls over cash received from youth league activities.

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

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

Effect: The revenue charged and collected could not be substantiated due to lack of documentation maintained. Failure to have proper controls in place to ensure effective and efficient operations increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented or detected.

Recommendation: We recommend that management design and implement policies and procedures necessary to ensure adequate internal controls over cash collected from youth league activities.

Management's Corrective Action: Management will implement control procedures over cash collected from youth league activities and proper retention of supporting documentation.

Part II: Prior Year Findings

A. Internal Control Over Financial Reporting

2018-001 Inadequate Segregation of Functions

Fiscal year finding initially occurred: Unknown

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

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

Current Status: Unresolved. See item 2019-001.

TOWN OF ARNAUDVILLE, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 2019

2018-002 Application of Generally Accepted Accounting Principles (GAAP)

Fiscal year finding initially occurred: 2007

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

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

Current Status: Resolved.

TOWN OF ARNAUDVILLE

Arnaudville, Louisiana

Agreed-Upon Procedures Report

Year Ended June 30, 2019

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

1201 David Dr.
Morgan City, LA 70380
Phone (885) 384-2020

434 E. Main St.
Ville Platte, LA 70586
Phone (337) 383-2792

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

* A Professional Accounting Corporation

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

WWW.KSRCPCAS.COM

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

We have performed the procedures enumerated below, which were agreed to by the Town of Arnaudville (Town) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The Town's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. We obtained and inspected the entity's written policies and procedures and observed that they address each of the following categories and subcategories (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

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

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) Observe 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) Obtain the prior year audit report and observe 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, observe 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

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

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly selected 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly selected one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies 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. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. 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.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Traced the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Non-Payroll Disbursements

(excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. We obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. We randomly selected one location that processes payments.

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

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

11. We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. We obtained management's representation that the listing is complete.
12. Using the listing prepared by management, we randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtained supporting documentation, and:
 - a) Observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder
 - b) Observed that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, we randomly selected 10 transactions (or all transactions if less than 10) from each statement, and obtained supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, 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. We obtained from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. We obtained management's representation that the listing is complete. We randomly selected 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - a) Observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observed that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observed that the original contract terms provided for such an amendment.
 - d) Randomly selected one payment from the fiscal period for each of the 5 contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

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

- 16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- 17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe 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) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- 18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

19. Obtain 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

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

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
 - a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observe that the 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. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Other

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

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Exceptions:

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

Written Policies and Procedures:

1. Purchasing policies do not include how vendors are added to the vendor list.

Management's response: The Town will update their written policies to include how vendors are added to the vendor list.

2. Receipts/Collection policies do not include management's actions to determine the completeness of all collections for each type of revenue or agency fund addition.

Management's response: The Town will update their written policies to include management's actions to determine the completeness of all collections for each type of revenue or agency fund addition.

3. The entity does not have written policies and procedures related to disaster recovery/business continuity.

Management's response: The Town will update their written policies to include disaster recovery/business continuity, including identification of critical data and frequency of data backups, storage of backups in a separate physical location isolated from the network, periodic testing/verification that backups can be restored, use of antivirus software on all systems, timely application of all available system and software patches/updates, and identification of personnel, processes, and tools needed to recover operations after a critical event.

Bank Reconciliations:

4. Of the five bank accounts tested, three did not include evidence that management is researching reconciling items that have been outstanding for more than 12 months from the statement closing date.

Management's response: The Town 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.

Travel and Expense Reimbursements:

5. Of the five reimbursements tested, two did not have itemized receipts for meals purchased.

Management's response: The Town will follow its policy to ensure that itemized receipts are obtained for all meals purchased prior to reimbursement.

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 Arnaudville 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
September 26, 2019