

TOWN OF GRAND COTEAU, LOUISIANA

Financial Report

Year Ended June 30, 2022

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INDEPENDENT AUDITOR'S REPORT

The Honorable Patrick Richard, Mayor
and Members of the Board of Aldermen
Town of Grand Coteau, Louisiana

Report on the Audit of 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 Grand Coteau, Louisiana (the Town), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules on pages 38 through 42 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town’s basic financial statements. The accompanying justice system funding schedule included in other supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the justice system funding schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information included in other supplementary information comprises the schedule of insurance in force but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2022, on our consideration of the Town’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town’s internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
December 20, 2022

BASIC FINANCIAL STATEMENTS

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

TOWN OF GRAND COTEAU, LOUISIANA

Statement of Net Position

June 30, 2022

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and interest-bearing deposits	\$2,661,018	\$ 317,629	\$2,978,647
Investments	50,878	-	50,878
Receivables, net	4,832	91,507	96,339
Due from other governmental units	43,521	70,406	113,927
Prepaid items	10,615	1,806	12,421
Internal balances	(58,120)	58,120	-
Restricted assets:			
Cash and interest-bearing deposits	-	169,662	169,662
Capital assets:			
Land and construction in progress	143,375	700,591	843,966
Capital assets, net	<u>728,794</u>	<u>2,014,091</u>	<u>2,742,885</u>
Total assets	<u>3,584,913</u>	<u>3,423,812</u>	<u>7,008,725</u>
LIABILITIES			
Accounts and other payables	90,159	131,829	221,988
Accrued interest payable	-	1,800	1,800
Customer deposits	-	89,543	89,543
Compensated absences payable	26,111	33,396	59,507
Long-term liabilities:			
Due within one year	7,257	36,743	44,000
Due after one year	<u>32,284</u>	<u>175,391</u>	<u>207,675</u>
Total liabilities	<u>155,811</u>	<u>468,702</u>	<u>624,513</u>
NET POSITION			
Net investment in capital assets	832,628	1,983,191	2,815,819
Restricted	1,564,634	77,186	1,641,820
Unrestricted	<u>1,031,840</u>	<u>894,733</u>	<u>1,926,573</u>
Total net position	<u>\$3,429,102</u>	<u>\$2,955,110</u>	<u>\$6,384,212</u>

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

TOWN OF GRAND COTEAU, LOUISIANA

Statement of Activities
For the Year Ended June 30, 2022

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 480,219	\$ -	\$ -	\$ -	\$ (480,219)	\$ -	\$ (480,219)
Public safety:							
Police	539,982	274,120	30,283	-	(235,579)	-	(235,579)
Fire	167,118	-	-	-	(167,118)	-	(167,118)
Highways and streets	208,627	-	1,665	-	(206,962)	-	(206,962)
Culture and recreation	2,543	-	-	-	(2,543)	-	(2,543)
Total governmental activities	<u>1,398,489</u>	<u>274,120</u>	<u>31,948</u>	<u>-</u>	<u>(1,092,421)</u>	<u>-</u>	<u>(1,092,421)</u>
Business-type activities:							
Gas	229,451	196,065	-	552,135	-	518,749	518,749
Water	282,478	127,925	167,358	-	-	12,805	12,805
Sewer	258,120	248,456	-	-	-	(9,664)	(9,664)
Total business-type activities	<u>770,049</u>	<u>572,446</u>	<u>167,358</u>	<u>552,135</u>	<u>-</u>	<u>521,890</u>	<u>521,890</u>
Total	<u>\$ 2,168,538</u>	<u>\$ 846,566</u>	<u>\$ 199,306</u>	<u>\$ 552,135</u>	<u>(1,092,421)</u>	<u>521,890</u>	<u>(570,531)</u>
General revenues:							
Taxes -							
Property taxes, levied for general purposes					115,450	-	115,450
Sales and use taxes, levied for general purposes					624,739	-	624,739
Franchise taxes					92,291	-	92,291
Occupational licenses and other permits					45,837	-	45,837
State beer tax					1,389	-	1,389
Racino income					26,797	-	26,797
Video poker revenue					539,727	-	539,727
Interest and investment earnings					1,627	316	1,943
Miscellaneous					33,629	2	33,631
Transfers					15,480	(15,480)	-
Total general revenues and transfers					<u>1,496,966</u>	<u>(15,162)</u>	<u>1,481,804</u>
Change in net position					404,545	506,728	911,273
Net position - beginning					<u>3,024,557</u>	<u>2,448,382</u>	<u>5,472,939</u>
Net position - ending					<u>\$ 3,429,102</u>	<u>\$ 2,955,110</u>	<u>\$ 6,384,212</u>

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

FUND FINANCIAL STATEMENTS (FFS)

MAJOR FUND DESCRIPTIONS

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 Fund

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

Sales Tax Fund

To account for the collection and expenditure of the Town's one percent sales tax that is legally restricted to expenditures for specific purposes.

2010 Sales Tax Fund

To account for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for specific purposes.

TIF District Fund

To account for the proceeds of a two percent sales and use tax and two percent hotel occupancy tax that is legally restricted to expenditures for specific purposes.

Enterprise Funds

Gas Fund

To account for the provision of gas 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 related debt service, and billing and collection.

Water Fund

To account for the provision of water 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 related debt service, and billing and collection.

Sewer Fund

To account for the provision of sewer 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 related debt service, and billing and collection.

TOWN OF GRAND COTEAU, LOUISIANA

Balance Sheet - Governmental Funds

June 30, 2022

	<u>General</u>	<u>Sales Tax</u>	<u>2010 Sales Tax</u>	<u>TIF District</u>	<u>Total</u>
ASSETS					
Cash and interest-bearing deposits	\$1,056,964	\$ 336,365	\$ 311,374	\$ 956,315	\$2,661,018
Investments	50,878	-	-	-	50,878
Receivables -					
Taxes	4,832	-	-	-	4,832
Due from other funds	43,634	15,462	-	-	59,096
Due from other governmental units	43,521	-	-	-	43,521
Prepaid items	<u>10,615</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,615</u>
Total assets	<u>\$1,210,444</u>	<u>\$ 351,827</u>	<u>\$ 311,374</u>	<u>\$ 956,315</u>	<u>\$2,829,960</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	\$ 57,311	\$ -	\$ -	\$ 2,215	\$ 59,526
Accrued liabilities	30,633	-	-	-	30,633
Due to other funds	<u>104,564</u>	<u>-</u>	<u>12,652</u>	<u>-</u>	<u>117,216</u>
Total liabilities	<u>192,508</u>	<u>-</u>	<u>12,652</u>	<u>2,215</u>	<u>207,375</u>
Fund balances -					
Nonspendable - prepaid items	10,615	-	-	-	10,615
Restricted - sales tax dedications	-	351,827	298,722	954,100	1,604,649
Unassigned	<u>1,007,321</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,007,321</u>
Total fund balances	<u>1,017,936</u>	<u>351,827</u>	<u>298,722</u>	<u>954,100</u>	<u>2,622,585</u>
Total liabilities and fund balances	<u>\$1,210,444</u>	<u>\$ 351,827</u>	<u>\$ 311,374</u>	<u>\$ 956,315</u>	<u>\$2,829,960</u>

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

TOWN OF GRAND COTEAU, LOUISIANA

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

Total fund balances for governmental funds at June 30, 2022		\$2,622,585
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 and construction in progress	\$ 143,375	
Buildings and improvements, net of \$176,679 accumulated depreciation	196,247	
Infrastructure, net of \$856,967 accumulated depreciation	377,616	
Equipment, net of \$513,770 accumulated depreciation	<u>154,931</u>	872,169
Some liabilities are not due and payable from current financial resources and are, therefore not reported in the funds. These liabilities consist of the following:		
Note payable	(39,541)	
Compensated absences	<u>(26,111)</u>	<u>(65,652)</u>
Total net position of governmental activities at June 30, 2022		<u>\$3,429,102</u>

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

TOWN OF GRAND COTEAU, LOUISIANA

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

	General	Sales Tax	2010 Sales Tax	TIF District	Total
Revenues:					
Taxes	\$ 207,741	\$ 205,403	\$ 205,403	\$ 213,933	\$ 832,480
Licenses and permits	65,756	-	-	-	65,756
Intergovernmental	601,149	-	-	-	601,149
Fines and forfeits	274,120	-	-	-	274,120
Miscellaneous	33,959	8	-	1	33,968
Total revenues	<u>1,182,725</u>	<u>205,411</u>	<u>205,403</u>	<u>213,934</u>	<u>1,807,473</u>
Expenditures:					
Current -					
General government	429,299	11,664	12,347	27,066	480,376
Public safety:					
Police	500,329	-	-	-	500,329
Fire	120,360	-	-	-	120,360
Highways and streets	163,463	-	-	-	163,463
Capital outlay	134,106	-	-	-	134,106
Total expenditures	<u>1,347,557</u>	<u>11,664</u>	<u>12,347</u>	<u>27,066</u>	<u>1,398,634</u>
Excess (deficiency) of revenues over expenditures	<u>(164,832)</u>	<u>193,747</u>	<u>193,056</u>	<u>186,868</u>	<u>408,839</u>
Other financing sources (uses):					
Proceeds from capital lease	39,541	-	-	-	39,541
Transfers in	290,000	-	-	-	290,000
Transfers out	(14,520)	(145,000)	(115,000)	-	(274,520)
Total other financing sources (uses)	<u>315,021</u>	<u>(145,000)</u>	<u>(115,000)</u>	<u>-</u>	<u>55,021</u>
Net change in fund balance	150,189	48,747	78,056	186,868	463,860
Fund balances, beginning	<u>867,747</u>	<u>303,080</u>	<u>220,666</u>	<u>767,232</u>	<u>2,158,725</u>
Fund balances, ending	<u>\$1,017,936</u>	<u>\$ 351,827</u>	<u>\$ 298,722</u>	<u>\$ 954,100</u>	<u>\$ 2,622,585</u>

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

TOWN OF GRAND COTEAU, 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, 2022

Total net changes in fund balances for the year ended June 30, 2022 per the
statement of revenues, expenditures and changes in fund balances \$ 463,860

The change in net position reported for governmental activities in the
statement of activities is different because:

Governmental funds report capital outlays as expenditures. However,
in the statement of activities, the cost of those assets is allocated over
their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on statement of revenues, expenditures and changes in fund balances	\$ 58,290	
Depreciation expense for the year ended June 30, 2022	<u>(78,064)</u>	(19,774)

Bond and capital lease proceeds are reported as financing sources in
governmental funds and thus contribute to the change in fund balance.
In the statement of net position, however, issuing debt increases long-
term liabilities and does not affect the statement of activities. Similarly,
repayment of principal and capital leases are recorded as expenditures
in the governmental funds but reduce liability in the statement of net
position. Also, governmental funds report the effects of premiums,
discounts, and similar items when debt is first issued, whereas these
amounts are deferred and amortized in the statement of activities:

Proceeds from issuance of debt received		<u>(39,541)</u>
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Total changes in net position for the year ended June 30, 2022 per the
statement of activities \$ 404,545

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

TOWN OF GRAND COTEAU, LOUISIANA

Statement of Net Position
 Proprietary Funds
 Business-Type Activities - Enterprise Funds
 June 30, 2022

	Gas Fund	Water Fund	Sewer Fund	Total
ASSETS				
Current assets:				
Cash and interest-bearing deposits	\$ 61,238	\$ -	\$ 211,107	\$ 272,345
Receivables -				
Accounts, net	40,630	78,813	42,470	161,913
Due from other funds	64,464	6,300	5,529	76,293
Prepaid items	<u>533</u>	<u>679</u>	<u>594</u>	<u>1,806</u>
Total current assets	<u>166,865</u>	<u>85,792</u>	<u>259,700</u>	<u>512,357</u>
Noncurrent assets:				
Restricted assets -				
Customers' deposits -				
Cash and interest-bearing deposits	88,733	62,407	63,806	214,946
Land and construction in progress	-	676,591	24,000	700,591
Capital assets, net	<u>94,225</u>	<u>787,085</u>	<u>1,132,781</u>	<u>2,014,091</u>
Total noncurrent assets	<u>182,958</u>	<u>1,526,083</u>	<u>1,220,587</u>	<u>2,929,628</u>
Total assets	<u>349,823</u>	<u>1,611,875</u>	<u>1,480,287</u>	<u>3,441,985</u>
LIABILITIES				
Current liabilities (payable from current assets):				
Accounts payable	12,337	16,456	3,570	32,363
Notes payable	15,438	-	-	15,438
Due to other funds	-	-	18,173	18,173
Total	<u>27,775</u>	<u>115,922</u>	<u>21,743</u>	<u>165,440</u>
Current liabilities (payable from restricted assets):				
Customer deposits	43,449	46,094	-	89,543
Compensated absences	25,784	6,671	941	33,396
Accrued interest payable	-	1,800	-	1,800
Revenue bonds payable	-	14,000	7,305	21,305
Total	<u>69,233</u>	<u>68,565</u>	<u>8,246</u>	<u>146,044</u>
Total current liabilities	<u>97,008</u>	<u>184,487</u>	<u>29,989</u>	<u>311,484</u>
Noncurrent liabilities:				
Notes payable	20,299	-	-	20,299
Revenue bonds payable	-	46,000	109,092	155,092
Total	<u>20,299</u>	<u>46,000</u>	<u>109,092</u>	<u>175,391</u>
Total liabilities	<u>117,307</u>	<u>230,487</u>	<u>139,081</u>	<u>486,875</u>
NET POSITION				
Net investment in capital assets	54,282	778,067	1,150,842	1,983,191
Restricted	-	14,132	63,054	77,186
Unrestricted	<u>178,234</u>	<u>589,189</u>	<u>127,310</u>	<u>894,733</u>
Total net position	<u>\$ 232,516</u>	<u>\$1,381,388</u>	<u>\$1,341,206</u>	<u>\$2,955,110</u>

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

TOWN OF GRAND COTEAU, LOUISIANA

Statement of Revenues, Expenses, and Changes in Net Position
 Proprietary Funds
 Business-Type Activities - Enterprise Funds
 For the Year Ended June 30, 2022

	Gas Fund	Water Fund	Sewer Fund	Total
Operating revenues:				
Charges for services	\$ 248,456	\$ 196,065	\$ 127,925	\$ 572,446
Miscellaneous	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>
Total operating revenues	<u>248,458</u>	<u>196,065</u>	<u>127,925</u>	<u>572,448</u>
Operating expenses:				
Personal services	65,446	60,205	32,165	157,816
Contractual services	112,968	-	6,994	119,962
Supplies	20,292	20,006	26,447	66,745
Other expenses	41,717	107,742	109,512	258,971
Depreciation	<u>16,023</u>	<u>39,338</u>	<u>101,951</u>	<u>157,312</u>
Total operating expenses	<u>256,446</u>	<u>227,291</u>	<u>277,069</u>	<u>760,806</u>
Operating loss	(7,988)	(31,226)	(149,144)	(188,358)
Nonoperating revenues (expenses):				
Interest income	163	21	132	316
Grant revenue	-	-	167,358	167,358
Interest and fiscal charges	<u>(1,674)</u>	<u>(2,160)</u>	<u>(5,409)</u>	<u>(9,243)</u>
Total nonoperating revenues (expenses)	<u>(1,511)</u>	<u>(2,139)</u>	<u>162,081</u>	<u>158,431</u>
Income (loss) before contributions and transfers	(9,499)	(33,365)	12,937	(29,927)
Capital contributions	<u>-</u>	<u>552,135</u>	<u>-</u>	<u>552,135</u>
Income (loss) before transfers	(9,499)	518,770	12,937	522,208
Transfers:				
Transfers in (out)	<u>-</u>	<u>(15,480)</u>	<u>-</u>	<u>(15,480)</u>
Change in net position	(9,499)	503,290	12,937	506,728
Net position, beginning	<u>242,015</u>	<u>878,098</u>	<u>1,328,269</u>	<u>2,448,382</u>
Net position, ending	<u>\$ 232,516</u>	<u>\$ 1,381,388</u>	<u>\$ 1,341,206</u>	<u>\$ 2,955,110</u>

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

TOWN OF GRAND COTEAU, LOUISIANA

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

	Gas Fund	Water Fund	Sewer Fund	Total
Cash flows from operating activities:				
Receipts from customers	\$ 236,570	\$ 159,667	\$ 102,482	\$ 498,719
Payments to suppliers	(170,655)	(126,115)	(143,796)	(440,566)
Payments to employees	(65,446)	(60,205)	(32,165)	(157,816)
Other receipts	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>
Net cash provided (used) by operating activities	<u>471</u>	<u>(26,653)</u>	<u>(73,479)</u>	<u>(99,661)</u>
Cash flows from noncapital financing activities:				
Net increase in customer deposits payable	1,412	4,992	-	6,404
Net transfers received from other funds	<u>24,256</u>	<u>(7,274)</u>	<u>8,884</u>	<u>25,866</u>
Net cash provided (used) by noncapital financing activities	<u>25,668</u>	<u>(2,282)</u>	<u>8,884</u>	<u>32,270</u>
Cash flows from capital and related financing activities:				
Principal paid on revenue bonds and notes payable	9,410	(12,000)	(6,984)	(9,574)
Interest paid on revenue bonds and notes payable	(1,674)	(2,520)	(5,409)	(9,603)
Grant proceeds	-	552,135	167,358	719,493
Net purchase of capital assets	<u>(29,639)</u>	<u>(553,481)</u>	<u>15,491</u>	<u>(567,629)</u>
Net cash provided (used) by capital and related financing activities	<u>(21,903)</u>	<u>(15,866)</u>	<u>170,456</u>	<u>132,687</u>
Cash flows from investing activities:				
Net maturities (purchases) of investments	(163)	-	(95)	(258)
Interest received on interest-bearing deposits	<u>163</u>	<u>21</u>	<u>132</u>	<u>316</u>
Net cash provided by investing activities	<u>-</u>	<u>21</u>	<u>37</u>	<u>58</u>
Net increase (decrease) in cash and cash equivalents	4,236	(44,780)	105,898	65,354
Cash and cash equivalents, beginning	<u>99,143</u>	<u>107,187</u>	<u>137,252</u>	<u>343,582</u>
Cash and cash equivalents, ending	<u>\$ 103,379</u>	<u>\$ 62,407</u>	<u>\$ 243,150</u>	<u>\$ 408,936</u>

(continued)

TOWN OF GRAND COTEAU, LOUISIANA

Statement of Cash Flows (Continued)
 Proprietary Fund
 For the Year Ended June 30, 2022

	<u>Gas Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating loss	\$ (7,988)	\$ (31,226)	\$ (149,144)	\$ (188,358)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities -				
Depreciation	16,023	39,338	101,951	157,312
Changes in current assets and liabilities:				
Increase in accounts receivable	(11,886)	(36,398)	(25,443)	(73,727)
(Increase) decrease in accounts payable	<u>4,322</u>	<u>1,633</u>	<u>(843)</u>	<u>5,112</u>
Net cash provided (used) by operating activities	<u>\$ 471</u>	<u>\$ (26,653)</u>	<u>\$ (73,479)</u>	<u>\$ (99,661)</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:				
Cash and cash equivalents, beginning -				
Cash and interest-bearing deposits - unrestricted	\$ 103,535	\$ 49,793	\$ 105,866	\$ 259,194
Cash and interest-bearing deposits - restricted	42,037	57,394	63,054	162,485
Less: Certificates of deposit with a maturity greater than three months when purchased	<u>(46,429)</u>	<u>-</u>	<u>(31,668)</u>	<u>(78,097)</u>
Total cash and cash equivalents	<u>99,143</u>	<u>107,187</u>	<u>137,252</u>	<u>343,582</u>
Cash and cash equivalents, ending -				
Cash and interest-bearing deposits - unrestricted	61,238	-	211,107	272,345
Cash and interest-bearing deposits - restricted	88,733	62,407	63,806	214,946
Less: Certificates of deposit with a maturity greater than three months when purchased	<u>(46,592)</u>	<u>-</u>	<u>(31,763)</u>	<u>(78,355)</u>
Total cash and cash equivalents	<u>103,379</u>	<u>62,407</u>	<u>243,150</u>	<u>408,936</u>
Net increase (decrease)	<u>\$ 4,236</u>	<u>\$ (44,780)</u>	<u>\$ 105,898</u>	<u>\$ 65,354</u>

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

TOWN OF GRAND COTEAU, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Town of Grand Coteau, Louisiana (the Town) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting policies of the Town also conform to the requirements of Louisiana Revised Statute 24:513, the *Louisiana Governmental Audit Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units*. The accounting and reporting framework and the more significant accounting policies are described below.

A. Financial Reporting Entity

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

As the municipal governing authority, for reporting purposes, the Town of Grand Coteau is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (municipality), (b) organizations for which the primary government is financially accountable, (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete, and (d) organizations that are closely related to, or financially integrated with the primary government.

Section 2100 of the 2011 Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*, "Defining the Financial Reporting Entity" establishes criteria for determining which entities should be considered a component unit and, as such, part of the reporting entity for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the primary government's governing authority (Mayor and Board of Aldermen) appoints a majority of board members of the potential component unit and is able to impose its will on the potential component unit or whether the potential component unit is fiscally dependent on the primary government.
3. Financial benefit/burden relationship between the primary government and the potential component unit.
4. The nature and significance of the relationship between the potential component unit with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading.

TOWN OF GRAND COTEAU, LOUISIANA

Notes to Basic Financial Statements (Continued)

The Town is a primary government and has no component units. The accompanying financial statements present information only on the funds maintained by the Town and do not present information on any other governmental unit.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The government-wide financial statements provide operational accountability information for the Town as an economic unit. The government-wide financial statements report the Town's ability to maintain service levels and continue to meet its obligations as they come due. The statements include all governmental activities and all business-type activities of the primary government. The Town has no fiduciary funds.

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

Fund Financial Statements

The accounts of the Town are organized on the basis of funds, each of which is considered to be an independent fiscal and accounting entity. The operations of each fund are accounted for within separate sets of self-balancing accounts, which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/net position, revenues, and expenditures/expenses, and transfers. The minimum number of funds is maintained consistent with legal and managerial requirements. Fund financial statements report detailed information about the Town. The various funds of the Town are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major funds, each displayed in a separate column.

Major funds are determined as funds whose revenues, expenditures/expenses, assets and deferred outflows of resources or liabilities and deferred inflows of resources are at least ten percent of the totals for all governmental or enterprise funds and at least five percent of the aggregate amount for all governmental and enterprise funds for the same item or funds designated as major at the discretion of the Town. The General Fund is always a major fund. Funds not classified as a major fund are aggregated and presented in a single column in the fund financial statements. The Town uses the following funds, grouped by fund type.

TOWN OF GRAND COTEAU, LOUISIANA

Notes to Basic Financial Statements (Continued)

Governmental Funds:

Governmental Funds are those through which most governmental functions of the Town are financed. The acquisition, use, and balances of the Town's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through 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

Special Revenues Funds are used to account for the proceeds of government grants or other specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects of the Town. The following are the Town's major Special Revenue Funds:

The Sales Tax Fund is used to account for the proceeds of a one percent (1%) sales and use tax that is legally restricted to expenditures for specific purposes.

The 2010 Sales Tax Fund is used to account for the proceeds of a one percent (1%) sales and use tax that is legally restricted to expenditures for specific purposes.

The TIF District Fund is used to account for the proceeds of a two percent (2%) sales and use tax and a two percent (2%) hotel occupancy tax that is legally restricted to expenditures for specific purposes.

Proprietary Funds -

Proprietary funds are used to account for the Town's ongoing operations and activities which are similar to those often found in the private sector where the intent is that costs of providing goods and services be recovered through user charges. The proprietary funds maintained by the Town are enterprise funds.

Enterprise Funds

Enterprise funds are proprietary funds that are used to report activities for which a fee is charged to external users. These funds 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's enterprise funds are the Gas Fund, the Water Fund, and the Sewer Fund.

TOWN OF GRAND COTEAU, LOUISIANA

Notes to Basic Financial Statements (Continued)

Enterprise funds financial statements include a statement of net position, a statement of revenues, expenses and changes in fund net position, and a statement of cash flows. The enterprise fund financial information is presented under the business-type activities column.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The measurement focus determines the accounting and financial reporting treatment applied to a fund. The governmental and business-type activities within the government-wide statement of net position and statement of activities are presented using the economic resources measurement focus. The economic resources measurement focus meets the accounting objectives of determining net income, net position, and cash flows.

The fund financial statements use either the current financial resources measurement focus, or the economic resources measurement focus as appropriate. Governmental funds use the current financial resources measurement focus. The measurement focus is based upon the receipt and disbursement of current available financial resources rather than upon net income. The measurement focus of the proprietary fund types, the flow of economic resources, is based upon determination of net income, net position and cash flows.

The accrual basis of accounting is used throughout the government-wide statements; conversely, the financial statements of the governmental funds have been prepared in accordance with the modified accrual basis of accounting, whereby revenues are recognized when considered both measurable and available to finance expenditures of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. An exception to this is grants collected on a reimbursement basis. Those reimbursable grants are recognized as revenue when reimbursable expenditures are incurred. The Town considers reimbursement amounts received within one year as available. The Town accrues intergovernmental revenue, ad valorem and sales tax revenue, franchise fees, charges for services, and investment income based upon this concept. Expenditures are generally recognized when the related fund liabilities are incurred and become payable in the current period. Proceeds of debt are reported as other financing sources, and principal and interest on long-term debt are recorded as expenditures when paid.

Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursement for specific purposes or projects are recognized in the period in which the expenditures are recorded. All other revenue items are considered to be measurable and available only when cash is received by the Town. Transfers between governmental funds are recorded when the related liability is incurred. These transfers do not represent revenues (expenditures) to the Town and are, therefore, reported as other financing sources (uses) in the governmental fund financial statements.

TOWN OF GRAND COTEAU, LOUISIANA

Notes to Basic Financial Statements (Continued)

Since the fund level statements are presented using a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each fund level statement that summarizes the adjustments necessary to convert the fund level statements into the government-wide presentations. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The financial statements of the enterprise funds have been prepared in accordance with the accrual basis of accounting. Accordingly, revenues are recorded when earned, and expenses and related liabilities are recorded when incurred.

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

Cash and interest-bearing deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Town. 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 of America. The Town may invest in certificates and time deposits of state banks organized under Louisiana laws and national banks having principal offices in Louisiana.

In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. Investments are stated at fair value

For the purpose of the proprietary funds statement of cash flows, “cash and cash equivalents” include all demand and savings accounts and certificates of deposit 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 are reported as “advances to and from other funds.” Interfund receivables and payables, advances to and from other funds, as well as due to and from other funds are eliminated in the statement of net position.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes, ad valorem taxes, and amounts due from other governmental units. Business-type activities report customer utility

TOWN OF GRAND COTEAU, LOUISIANA

Notes to Basic Financial Statements (Continued)

service receivables as the major receivables. Uncollectible amounts due for customer utility receivables are recognized as bad debts through the establishment of an allowance for uncollectible accounts at the time information becomes available which would indicate the uncollectibility of the particular receivable. The allowance for uncollectible accounts at June 30, 2022 was \$46,244. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month totaled \$30,976 at year end.

Prepaid Items

Payments made to vendors for services that will benefit future periods beyond June 30, 2022, are recorded as prepaid items.

Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Prior to July 1, 2001, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	20-40 years
Furniture and equipment	5-10 years
Vehicles	5-15 years
Water system	20-50 years
Sewerage system	20-50 years
Meters	10-20 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 in the same manner as in the government-wide statements.

TOWN OF GRAND COTEAU, LOUISIANA

Notes to Basic Financial Statements (Continued)

Restricted Assets

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

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 is reported as liabilities in the government-wide statements. The long-term debt consists primarily of a revenue bonds and notes payable.

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

Compensated Absences

The Town's policy is that employees earn and must use their vacation as of the end of each calendar year. Unused sick leave can be carried forward to the next calendar year. Upon termination, unused sick leave up to 90 days is paid to the employee at the employee's current rate of pay.

Deferred Outflows of Resources and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. At June 30, 2022, the Town had no items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. At June 30, 2022, the Town had no items that qualify for reporting in this category.

TOWN OF GRAND COTEAU, LOUISIANA

Notes to Basic Financial Statements (Continued)

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 that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position consists of net position with constraints placed on the use either by external groups, such as creditors, grantors, and contributors, laws or regulations of other governments; or law through constitutional provisions or enabling legislation. It is the Town's policy to use restricted net position prior to the use of unrestricted net position when both restricted and unrestricted net position are available for an expense which has been incurred. At June 30, 2022, the Town reported \$1,641,820 of restricted net position, of which \$1,564,634 was restricted by enabling legislation.
- c. Unrestricted net position consists of all other assets, deferred outflows of resources, liabilities and deferred inflows of resources that do not meet the definition of "restricted" or "net investment in capital assets."

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily upon the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The categories and their purposes are:

- a. Nonspendable includes fund balance amounts that cannot be spent either because they are not in spendable form or because of legal or contractual constraints requiring they remain intact. The Town's nonspendable fund balance includes prepaid items.
- b. Restricted includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors, grantors, contributors or amounts constrained due to constitutional provisions or enabling legislation or the laws or regulations of other governments.
- c. Committed includes fund balance amounts that can be used only for specific purposes that are internally imposed by the Town through formal legislative action of the Board of Aldermen and does not lapse at year end. A committed fund balance constraint can only be established, modified or rescinded by passage of an Ordinance (Law) by the Board of Aldermen.

TOWN OF GRAND COTEAU, LOUISIANA

Notes to Basic Financial Statements (Continued)

- d. Assigned includes fund balance amounts that are constrained by the Town's intent to be used for specific purposes, that are neither restricted nor committed. The assignment of fund balance is authorized by a directive from the Mayor and approval of a Resolution by the Board of Aldermen.
- e. Unassigned includes fund balance amounts which have not been classified within the above-mentioned categories.

It is the Town's policy to use restricted amounts first when both restricted and unrestricted fund balance is available unless prohibited by legal or contractual provisions. Additionally, the Town uses committed, assigned, and lastly unassigned amounts of fund balance in that order when expenditures are made.

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

E. Revenues, Expenditures, and Expenses

Revenues

The Town considers revenue to be susceptible to accrual in the governmental funds as it becomes measurable and available, as defined under the modified accrual basis of accounting. The Town generally defines the availability period for revenue recognition as received within sixty (60) days of year-end. The Town's major revenue sources that meet this availability criterion are intergovernmental revenues, franchise fees, tax revenue, and charges for services.

There are three classifications of programmatic revenues for the Town, grant and contributions revenue (operating and capital) and charges for services. Grant revenues are revenues from federal, state, and private grants. These revenues are recognized when all applicable eligibility requirements are met and are reported as intergovernmental revenues. Program revenues are derived directly from the program itself or from parties outside the Town's taxpayers or citizenry, as a whole. Program revenues reduce the cost of the function to be financed from the Town's general revenues. The primary sources of program revenue are fees, fines, and charges paid by recipients of goods or services, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and earned income in connection with the operation of the Town's utility system.

Interest income is recorded as earned in the fund holding the interest-bearing asset.

Substantially all other revenues are recorded when received.

TOWN OF GRAND COTEAU, LOUISIANA

Notes to Basic Financial Statements (Continued)

Operating Revenues and Expenses

In the proprietary funds, operating revenues are those revenues produced as a result of providing services and producing and delivering goods and/or services. Nonoperating revenues are funds primarily provided by investing activities, such as financial institution interest income, gains on disposal of assets and insurance recoveries on property loss. Operating expenses are those expenses related to the production of revenue. Nonoperating expenses are those expenses not directly related to the production of revenue and include items such as interest expense and losses on disposal of assets.

Expenditures/Expenses

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

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

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

Interfund Transfers

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

F. Revenue Restrictions

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

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

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

G. Capitalization of Interest Expense

It is the policy of the Town of Grand Coteau to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets. At June 30, 2022 there were no borrowings for assets under construction and no capitalized interest expense recorded.

TOWN OF GRAND COTEAU, LOUISIANA

Notes to Basic Financial Statements (Continued)

H. Use of Estimates

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

(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 November 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 Assessor of St. Landry Parish. Town property tax revenues are budgeted in the year billed. For the year ended June 30, 2022, taxes of 19.95 mills were levied on property with assessed valuations totaling \$6,207,800 and were dedicated as follows:

General purposes	4.95	mills
Fire protection	<u>15.00</u>	mills
	<u>19.95</u>	mills

Total taxes levied were \$123,846. Taxes receivable at June 30, 2022 were \$4,832.

(3) Dedication of Sales Tax Proceeds

Proceeds of a 1 percent sales and use tax (accounted for in the Sales Tax Fund – a special revenue fund) levied by the Town of Grand Coteau (2022 collections \$205,403) are dedicated to the following purposes:

Constructing and purchasing fire department stations and equipment; constructing and purchasing police department stations and equipment; opening, constructing, paving, resurfacing and improving streets, sidewalks, and bridges; constructing and improving drains, drainage canals and subsurface drainage; constructing, acquiring or improving any work of public permanent improvements; and purchasing and acquiring all equipment and furnishings for the public works, buildings, improvements and facilities of the Town of Grand Coteau, title to which shall be in the public.

TOWN OF GRAND COTEAU, LOUISIANA

Notes to Basic Financial Statements (Continued)

Proceeds of a 1 percent sales and use tax (accounted for in the 2010 Sales Tax Fund – a special revenue fund) levied by the Town of Grand Coteau (2022 collections \$205,403) are dedicated for any lawful corporate purpose of the Town.

Proceeds of a 2 percent sales and use tax and 2 percent hotel occupancy tax (accounted for in the TIF District Fund – a special revenue fund) levied by the Town of Grand Coteau (2022 collections \$213,933) are dedicated for specific purposes. These taxes are deposited into a special trust fund named the “Grand Coteau Economic Development District No. 1 District Trust Fund” the purpose of which is to fund economic development projects selected by the Grand Coteau Economic Development District No. 1.

(4) Cash and Interest-Bearing Deposits

Under state law, the Town may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Town may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2022, the Town had cash and interest-bearing deposits (book balances) totaling \$3,148,309 as follows:

Demand deposits	\$ 2,455,594
Money market accounts	614,360
Time deposits	<u>78,355</u>
Total	<u>\$ 3,148,309</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 the Town 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 pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. The following is a summary of deposit balances (bank balances) at June 30, 2022, and the related federal insurance and pledged securities:

Bank balances	<u>\$3,048,402</u>
Federal deposit insurance	\$ 500,000
Pledged securities	<u>2,548,402</u>
Total	<u>\$3,048,402</u>

Deposits in the amount of \$2,548,402 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution’s trust department or agent, but not in the Town’s name. The Town does not have a policy for custodial credit risk.

TOWN OF GRAND COTEAU, LOUISIANA

Notes to Basic Financial Statements (Continued)

(5) Investments

The Town participates in Louisiana Asset Management Pool (LAMP). LAMP is administered by LAMP, Inc., a nonprofit corporation organized under the laws of the State of Louisiana. Only local governmental entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955.

Accounting standards require disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.

LAMP is an investment pool that, to the extent practical, invest in a manner consistent with accounting standards. The following facts are relevant for investments pools:

- Credit risk: LAMP has a fund rating of AAAM issued by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: LAMP's pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments.
- Foreign currency risk: Not applicable.

The investment in LAMP totaling \$50,878 is stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

TOWN OF GRAND COTEAU, LOUISIANA

Notes to Basic Financial Statements (Continued)

(6) Restricted Assets - Proprietary Fund Type

Restricted assets consisted of the following at June 30, 2022:

Customer deposits	\$ 89,543
Revenue bond reserve and sinking funds	<u>80,119</u>
Total	<u>\$ 169,662</u>

(7) Receivables

Receivables consisted of the following at June 30, 2022:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Accounts, net	\$ -	\$ 91,507	\$ 91,507
Ad valorem taxes	<u>4,832</u>	<u>-</u>	<u>4,832</u>
Totals	<u>\$ 4,832</u>	<u>\$ 91,507</u>	<u>\$ 96,339</u>

(8) Due from Other Governmental Units

The amount due from other governmental units consisted of the following at June 30, 2022:

Governmental activities:	
State of Louisiana - video poker revenue	\$ 43,521
Business-type activities:	
State of Louisiana - Division of Administration	<u>70,406</u>
Total	<u>\$113,927</u>

(9) Accounts and Other Payables

The accounts and other payables consisted of the following at June 30, 2022:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Accounts payable	\$ 59,526	\$ 32,363	\$ 91,889
Accrued liabilities	30,633	-	30,633
Contracts and retainage payable	<u>-</u>	<u>99,466</u>	<u>99,466</u>
Totals	<u>\$ 90,159</u>	<u>\$131,829</u>	<u>\$221,988</u>

TOWN OF GRAND COTEAU, LOUISIANA

Notes to Basic Financial Statements (Continued)

(10) Capital Assets

Capital asset activity for the year ended June 30, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 143,375	\$ -	\$ -	\$ 143,375
Construction in progress	124,600	-	124,600	-
Totals	<u>267,975</u>	<u>-</u>	<u>124,600</u>	<u>143,375</u>
Other capital assets:				
Buildings and improvements	234,940	137,986	-	372,926
Infrastructure	1,234,583	-	-	1,234,583
Equipment	623,797	44,904	-	668,701
Totals	<u>2,093,320</u>	<u>182,890</u>	<u>-</u>	<u>2,276,210</u>
Less accumulated depreciation				
Buildings and improvements	166,339	10,340	-	176,679
Infrastructure	813,139	43,828	-	856,967
Equipment	489,874	23,896	-	513,770
Total accumulated depreciation	<u>1,469,352</u>	<u>78,064</u>	<u>-</u>	<u>1,547,416</u>
Governmental activities, capital assets, net	<u>\$ 891,943</u>	<u>\$ 104,826</u>	<u>\$ 124,600</u>	<u>\$ 872,169</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 13,110
Police	9,460
Fire	10,555
Highways and streets	42,396
Parks and recreation	2,543
Total depreciation expense	<u>\$ 78,064</u>

TOWN OF GRAND COTEAU, LOUISIANA

Notes to Basic Financial Statements (Continued)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land - water system	\$ 24,000	\$ -	\$ -	\$ 24,000
Construction in Progress	47,360	629,231	-	676,591
Totals	<u>71,360</u>	<u>629,231</u>	<u>-</u>	<u>700,591</u>
Other capital assets:				
Gas system and equipment	450,214	29,639	5,628	474,225
Water system and equipment	2,174,509	23,716	-	2,198,225
Sewer plant and equipment	3,868,034	-	-	3,868,034
Totals	<u>6,492,757</u>	<u>53,355</u>	<u>5,628</u>	<u>6,540,484</u>
Less accumulated depreciation				
Gas system and equipment	369,605	16,023	5,628	380,000
Water system and equipment	1,371,802	39,338	-	1,411,140
Sewer plant and equipment	2,633,302	101,951	-	2,735,253
Total accumulated depreciation	<u>4,374,709</u>	<u>157,312</u>	<u>5,628</u>	<u>4,526,393</u>
Business-type activities, capital assets, net	<u>\$2,189,408</u>	<u>\$ 525,274</u>	<u>\$ -</u>	<u>\$2,714,682</u>

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

Gas	\$ 16,023
Water	39,338
Sewer	101,951
Total depreciation expense	<u>\$157,312</u>

(11) Changes in Long-Term Liabilities

The following is a summary of long-term liability transactions of the Town for the year ended June 30, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Long-term debt:					
Direct placement - Revenue bonds	\$ 195,381	\$ -	\$ 18,984	\$ 176,397	\$ 21,305
Direct borrowings - Notes payable	26,327	68,218	19,267	75,278	22,695
	<u>\$ 221,708</u>	<u>\$ 68,218</u>	<u>\$ 38,251</u>	<u>\$ 251,675</u>	<u>\$ 44,000</u>

TOWN OF GRAND COTEAU, LOUISIANA

Notes to Basic Financial Statements (Continued)

Bonds payable at June 30, 2022 consisted of the following:

Governmental activities -

Notes payable:

\$39,541 equipment loan dated September 1, 2021; interest at 4.30 percent \$ 39,541

Business-type activities -

Revenue bonds:

\$225,000 Sewer Revenue Bond, due in monthly installments of \$1,033 through August 31, 2034; interest at 4.5 percent \$ 116,397

\$150,000 Limited Tax Bonds, Series 2014, due in annual installments of \$4,000 - \$16,000 through March 1, 2026; interest at 3.0 percent 60,000

Notes payable:

\$25,995 auto loan dated October 18, 2018; interest at 4.98 percent 3,539

\$26,254 auto loan dated August 7, 2019; interest at 5.17 percent 9,360

\$28,677 auto loan dated October 27, 2021; interest at 4.98 percent 22,838

Total bonds payable applicable to business-type activities \$ 212,134

Annual debt service requirements of all outstanding debt are as follows:

Year ending June 30,	Governmental Activities		Business-Type Activities		Total	
	Principal payments	Interest payments	Principal payments	Interest payments	Principal payments	Interest payments
2023	\$ 7,257	\$ 1,700	\$ 37,103	\$ 8,397	\$ 44,360	\$ 10,097
2024	7,569	1,388	30,605	7,032	38,174	8,420
2025	7,895	1,063	28,832	5,928	36,727	6,991
2026	8,234	723	30,491	4,820	38,725	5,543
2027	8,586	369	8,742	3,651	17,328	4,020
2028 - 2032	-	-	50,117	11,848	50,117	11,848
2033 - 2035	-	-	26,244	1,385	26,244	1,385
Total	<u>\$ 39,541</u>	<u>\$ 5,243</u>	<u>\$ 212,134</u>	<u>\$ 43,061</u>	<u>\$ 251,675</u>	<u>\$ 48,304</u>

TOWN OF GRAND COTEAU, LOUISIANA

Notes to Basic Financial Statements (Continued)

(12) Compensation of Town Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended June 30, 2022 follows:

Mayor Patrick Richard	<u>\$ 14,400</u>
Aldermen:	
James Richard	9,150
Brad Randell	8,250
Annette Charles	9,150
Eli Wheeler	7,650
Devon Thomas	<u>9,150</u>
	<u>43,350</u>
	<u>\$ 57,750</u>

(13) Compensation, Benefits and Other Payments to Mayor

A detail of compensation, benefits, and other payments made to Mayor Patrick Richard for the year ended June 30, 2022 follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 14,400
Reimbursements	<u>924</u>
	<u>\$ 15,324</u>

(14) On-Behalf Payment of Salaries

The State of Louisiana paid the Town's police officers \$30,283 of supplemental pay during the year ended June 30, 2022. Such payments are recorded as intergovernmental revenues and public safety expenditures in the government-wide and General Fund financial statements.

(15) Pending Litigation

The Town was a defendant in a lawsuit filed by a former employee alleging damages. In August 2022 the parties negotiated a resolution to this claim. The settlement amount was paid by the Town in August 2022 and will be reflected in the Town's June 30, 2023 financial statements. There was no other pending litigation against the Town at June 30, 2022.

TOWN OF GRAND COTEAU, LOUISIANA

Notes to Basic Financial Statements (Continued)

(16) Risk Management

The Town is exposed to risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town maintains commercial insurance coverage for each of those risks of loss. Management believes coverage is sufficient to preclude any significant uninsured losses to the Town. There have been no significant reductions in the insurance during the year, nor have settlements exceeded coverage for the past three years.

(17) Interfund Receivables/Payables

A. A summary of interfund receivables and payables at June 30, 2022 follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major governmental funds:		
General Fund	\$ 43,634	\$ 104,564
Sales Tax Fund	15,462	-
2010 Sales Tax Fund	-	12,652
Proprietary funds:		
Gas Fund	64,464	-
Water Fund	6,300	-
Sewer Fund	<u>5,529</u>	<u>18,173</u>
Total	<u>\$ 135,389</u>	<u>\$ 135,389</u>

The amounts of interfund receivables and payables listed above are for short-term loans.

B. Transfers consisted of the following at June 30, 2022:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major governmental funds:		
General Fund	\$ 290,000	\$ 14,520
Sales Tax Fund	-	145,000
2010 Sales Tax Fund	-	115,000
Proprietary Fund:		
Water Fund	<u>14,520</u>	<u>30,000</u>
Total	<u>\$ 304,520</u>	<u>\$ 304,520</u>

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

**REQUIRED
SUPPLEMENTARY INFORMATION**

TOWN OF GRAND COTEAU, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2022

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Taxes	\$ 171,735	\$ 200,479	\$ 207,741	\$ 7,262
Licenses and permits	51,590	70,345	65,756	(4,589)
Intergovernmental	882,275	552,140	601,149	49,009
Fines and forfeits	226,065	303,320	274,120	(29,200)
Miscellaneous	20,655	20,205	33,959	13,754
Total revenues	<u>1,352,320</u>	<u>1,146,489</u>	<u>1,182,725</u>	<u>36,236</u>
Expenditures:				
Current -				
General government	336,545	343,025	429,299	(86,274)
Public safety - police	547,680	621,792	500,329	121,463
Public safety - fire	159,951	118,355	120,360	(2,005)
Highways and streets	228,265	193,008	163,463	29,545
Capital outlay	143,184	125,232	134,106	(8,874)
Debt service	9,870	2,870	-	2,870
Total expenditures	<u>1,425,495</u>	<u>1,404,282</u>	<u>1,347,557</u>	<u>56,725</u>
Deficiency of revenues over expenditures	(73,175)	(257,793)	(164,832)	92,961
Other financing sources (uses):				
Proceeds from capital lease	35,000	39,541	39,541	-
Transfers in	290,000	290,000	290,000	-
Transfers out	(14,160)	(14,160)	(14,520)	(360)
Total other financing sources (uses)	<u>310,840</u>	<u>315,381</u>	<u>315,021</u>	<u>(360)</u>
Net change in fund balance	237,665	57,588	150,189	92,601
Fund balance, beginning	<u>867,747</u>	<u>867,747</u>	<u>867,747</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,105,412</u>	<u>\$ 925,335</u>	<u>\$ 1,017,936</u>	<u>\$ 92,601</u>

The accompanying notes are an integral part of this schedule.

TOWN OF GRAND COTEAU, LOUISIANA
Sales Tax Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2022

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 176,715	\$ 191,000	\$ 205,403	\$ 14,403
Miscellaneous - interest	-	-	8	8
Total revenues	<u>176,715</u>	<u>191,000</u>	<u>205,411</u>	<u>14,411</u>
Expenditures:				
Current -				
General government:	<u>12,860</u>	<u>15,278</u>	<u>11,664</u>	<u>3,614</u>
Excess of revenues over expenditures	163,855	175,722	193,747	18,025
Other financing uses:				
Transfers out	<u>(145,000)</u>	<u>(145,000)</u>	<u>(145,000)</u>	<u>-</u>
Net change in fund balance	18,855	30,722	48,747	18,025
Fund balance, beginning	<u>303,080</u>	<u>303,080</u>	<u>303,080</u>	<u>-</u>
Fund balance, ending	<u>\$ 321,935</u>	<u>\$ 333,802</u>	<u>\$ 351,827</u>	<u>\$ 18,025</u>

The accompanying notes are an integral part of this schedule.

TOWN OF GRAND COTEAU, LOUISIANA
2010 Sales Tax Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2022

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	<u>\$ 176,715</u>	<u>\$ 191,000</u>	<u>\$ 205,403</u>	<u>\$ 14,403</u>
Expenditures:				
Current -				
General government:	<u>13,690</u>	<u>16,247</u>	<u>12,347</u>	<u>3,900</u>
Excess of revenues over expenditures	163,025	174,753	193,056	18,303
Other financing uses:				
Transfers out	<u>(115,000)</u>	<u>(115,000)</u>	<u>(115,000)</u>	<u>-</u>
Net change in fund balance	48,025	59,753	78,056	18,303
Fund balance, beginning	<u>220,666</u>	<u>220,666</u>	<u>220,666</u>	<u>-</u>
Fund balance, ending	<u>\$ 268,691</u>	<u>\$ 280,419</u>	<u>\$ 298,722</u>	<u>\$ 18,303</u>

The accompanying notes are an integral part of this schedule.

TOWN OF GRAND COTEAU, LOUISIANA
TIF District Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2022

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 179,912	\$ 199,000	\$ 213,933	\$ 14,933
Miscellaneous - interest	-	1	1	-
Total revenues	179,912	199,001	213,934	14,933
Expenditures:				
Current -				
General government:	26,482	32,061	27,066	4,995
Net change in fund balance	153,430	166,940	186,868	19,928
Fund balance, beginning	767,232	767,232	767,232	-
Fund balance, ending	<u>\$ 920,662</u>	<u>\$ 934,172</u>	<u>\$ 954,100</u>	<u>\$ 19,928</u>

The accompanying notes are an integral part of this schedule.

TOWN OF GRAND COTEAU, LOUISIANA

Notes to Required Supplementary Information

(1) Budget and Budgetary Accounting

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

1. Prior to June 15, the Town Clerk submits to the Mayor and Board of Aldermen a proposed operating budget for the fiscal year commencing the following January 1.
2. A summary of the proposed budget is published, and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board of Aldermen.

OTHER SUPPLEMENTARY INFORMATION

OTHER FINANCIAL INFORMATION

TOWN OF GRAND COTEAU, LOUISIANA

Justice System Funding Schedule - Collecting/Disbursing Entity
 As Required by Act 87 of the 2020 Regular Legislative Session
 Cash Basis Presentation
 For the Year Ended June 30, 2022

	First Six Month Period Ended 12/31/2021	Second Six Month Period Ended 6/30/2022
Beginning Balance of Amounts Collected (i.e. cash on hand)	<u>\$ -</u>	<u>\$ -</u>
Add: Collections		
Criminal Court Costs/Fees	625	750
Criminal Fines - Other	<u>142,384</u>	<u>136,883</u>
Subtotal Collections	<u>143,009</u>	<u>137,633</u>
Less: Disbursements To Governments & Nonprofits:		
Louisiana Traumatic Head and Spinal Cord Injury Trust Fund, Criminal Fines - Other	1,679	4,286
Louisiana Commission on Law Enforcement Crime Victims Reparation Fund, Criminal Fines - Other	655	1,708
Louisiana Supreme Court - Louisiana Judicial College, Criminal Fines - Other	170	438
Treasurer, State of Louisiana - Trail Court Case Management Information System, Criminal Fines - Other	336	859
Acadiana Criminalistics Laboratory Commission, Criminal Fines - Other	20	110
St. Landry Parish Crime Stoppers, Criminal Fines - Other	668	1,708
Less: Amounts Retained by Collecting Agency		
Criminal Fines - Other	<u>139,481</u>	<u>128,524</u>
Subtotal Disbursements/Retainage	<u>143,009</u>	<u>137,633</u>
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	<u>\$ -</u>	<u>\$ -</u>

TOWN OF GRAND COTEAU, LOUISIANA

Schedule of Insurance in Force
(Unaudited)
June 30, 2022

Insurer	Type of Coverage	Limits of Coverage	Effective Dates	
			From	To
Louisiana Municipal Risk Management Agency	Workmen's Compensation	Statutory	Monthly	Monthly
Western Surety Bond (CNA)	Position Bond	\$246,000	9/15/2021	9/15/2022
	Blanket Bond	\$5,000	10/1/2021	10/1/2022
Dupre Carrier Godchaux Agency	Property/Building	\$10,000 deductible	3/14/2022	3/14/2023
	Town Hall	\$429,857		
	Utility Shed	\$4,284		
	Police Building	\$81,813		
	Fire Station	\$205,428		
	Equipment Garage	\$6,995		
	Recreation	\$63,642		
	Gas Rectifiers	\$21,420		
	Water and Sewer System	\$838,613		
	Water Tower	\$408,000		
Louisiana Risk Management	General Liability	\$500,000	5/1/2022	5/1/2023
	Errors and Omissions	\$1,000 each claimant		
	Law Enforcement Officer	\$1,000 deductible		
	Automobile Liability	\$500,000		
	Uninsured Motorist	\$100,000		
Rod Prejean Associates	Vehicles Physical Damage	\$107,500	1/8/2022	1/8/2023

INTERNAL CONTROL, COMPLIANCE

AND

OTHER MATTERS

KOLDER, SLAVEN & COMPANY, LLC

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

The Honorable Patrick Richard, Mayor
and Members of the Board of Aldermen
Town of Grand Coteau, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Grand Coteau, Louisiana (the Town), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated December 20, 2022.

Report on Internal Control over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as items 2022-001, 2022-004, 2022-005, and 2022-006 to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as items 2022-002, 2022-003, 2022-007, and 2022-008 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as items 2022-009, 2022-010, and 2022-011.

Town of Grand Coteau, Louisiana's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town'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 Town'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
December 20, 2022

TOWN OF GRAND COTEAU, LOUISIANA

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

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

A. Internal Control Over Financial Reporting

2022-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

CONDITION: The Town 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, 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 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 control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) record 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.

TOWN OF GRAND COTEAU, LOUISIANA

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

2022-002 Controls over Personnel Files

Fiscal year finding initially occurred: Unknown

CONDITION: The Town did not have proper controls over the maintenance of personnel files.

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, 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 failure to maintain personnel files.

EFFECT: Failure to maintain personnel files could result in employees being paid at a rate not approved by the Board of Aldermen and deductions applied at incorrect amounts.

RECOMMENDATION: Procedures should be implemented to ensure that personnel files are current and complete for all employees.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Town will implement procedures to ensure personnel files are maintained and kept current for all employees.

2022-003 Maintenance of Employee Leave Records

Fiscal year finding initially occurred: 2021

CONDITION: The Town did not have proper controls over the maintenance of employee leave records.

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

TOWN OF GRAND COTEAU, LOUISIANA

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

“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 failure to maintain a system to track the accrual and use of employee vacation and sick leave.

EFFECT: Failure to maintain employee leave records could result in employees being paid for leave time in excess of amounts of available leave time.

RECOMMENDATION: Procedures should be implemented to ensure that leave records are current and complete for all employees.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Town will implement procedures to ensure leave records are maintained and kept current for all employees.

2022-004

Reconciliation of Bank Accounts

Fiscal year finding initially occurred: 2021

CONDITION: The Town did not prepare all bank reconciliations for its bank accounts for all months during the fiscal year timely.

CRITERIA: Timely reconciling all bank accounts is a key component of good controls over cash. Reconciling the bank balance with the book balance (general ledger) is necessary to ensure that (1) all receipts and disbursements are recorded (an essential process in ensuring complete and accurate monthly financial statements); (2) checks are clearing the bank in a reasonable time; (3) reconciling items are appropriate and are being recorded; and (4) the reconciled cash balance agrees to the general ledger cash balance. State law [Louisiana Revised Statute (R.S.) 10:4-406(d)(2)] allows a customer 30 days to examine bank statements and cancelled checks for unauthorized signature or alteration. After 30 days, the customer is precluded from asserting a claim against the bank for unauthorized signatures or alteration.

CAUSE: The cause of the condition is the fact that staff charged with preparing the bank reconciliations did not perform duties as instructed.

TOWN OF GRAND COTEAU, LOUISIANA

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

EFFECT: Failure to prepare bank reconciliations 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 prepare written bank reconciliations within 30 days of receipt of bank statements by an employee who does not have responsibility/authority to (1) sign checks; or (2) receive and deposit cash; or (3) authorize disbursements. The monthly bank reconciliations should be properly completed, dated, and signed by both the preparer and reviewer/approver and be maintained on file for subsequent review and audit.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Town will evaluate and establish procedures to ensure that all cash accounts are reconciled on a monthly basis.

2022-005 Reconciliation of Utility Accounts Receivable

Fiscal year finding initially occurred: 2021

CONDITION: The utility accounts receivable balance in the general ledger is not reconciled monthly with the detailed accounts receivable customer listing.

CRITERIA: Not reconciling the detailed accounts receivable customer listing to the balance in the general ledger on a monthly basis is a fraud risk factor.

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

EFFECT: Errors or irregularities could be made in the recording of deposits, billings, payments, adjustments, or voided receipts without being detected in a timely manner.

RECOMMENDATION: It is recommended that the Town implement procedures to ensure the accounts receivable balance in the general ledger is reconciled monthly with the detailed accounts receivable customer listing.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Town will establish policies and procedures to ensure the utility accounts receivable balance in the general ledger is reconciled monthly with the detailed accounts receivable customer listing.

TOWN OF GRAND COTEAU, LOUISIANA

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

2022-006 Reconciliation of Customer Meter Deposits

Fiscal year finding initially occurred: 2021

CONDITION: The Town does not have complete and accurate records for customer meter deposits, and the meter deposit bank account balances are not reconciled monthly with a detailed listing of customers' meter deposits.

CRITERIA: Not reconciling the meter deposit bank account balances to a detailed listing of customers' meter deposits and the related liability balance is a risk factor. A detailed listing of customers' meter deposits should be reconciled monthly to the related general ledger bank account balances and customer deposit liability balance.

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

EFFECT: Errors or irregularities could be made in the recording of deposits and refunds without being detected in a timely manner.

RECOMMENDATION: It is recommended that the Town implement procedures to ensure that an accurate listing of customer meter deposits is maintained and reconciled monthly to the meter deposit bank account and deposit liability.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Town will establish policies and procedures to ensure that an accurate listing of customer meter deposits is maintained and reconciled monthly to the meter deposit bank account and deposit liability.

2022-007 Utility Bill Collections

Fiscal year finding initially occurred: 2021

CONDITION: During a test of utility accounts of the Town's customers, it was noted that some accounts are not being paid in full or timely, and the customers, including employees and Town officials, continue to receive service in violation of the Town's utility cut-off policy and are not charged a late fee.

CRITERIA: The utility cut-off policy requires the Town terminate services to customers when an account becomes 30 days delinquent. The Town's policy also requires that a late fee be charged if payment is not received by the 15th of the month.

TOWN OF GRAND COTEAU, LOUISIANA

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

CAUSE: The Town has not properly followed its written policies and procedures regarding past due accounts and proper cut-off procedures to disconnect services relating to nonpayment by customers.

EFFECT: Failure to follow written policies and procedures increases the risk of not having continuity of operations and the risk of long outstanding collections of utilities.

RECOMMENDATION: Management should consistently comply with its written policies and procedures in the future and cut-off utility services of customers, including employees and Town officials, who do not pay within the time limited stated in the policy.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Town will adhere to its cut-of policy.

2022-008

Late Payment of Invoices

Fiscal year finding initially occurred: 2021

CONDITION: During the year, the Town paid several invoices after the due date resulting in late fees being assessed.

CRITERIA: Sound business practices require that obligations be paid timely and when due.

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

EFFECT: Failure to pay vendors timely could lead to late fees being assessed and increases the risk that vendors will cease doing business with the Town.

RECOMMENDATION: It is recommended that the Town process and pay invoices timely and by the due date.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Town will closely monitor all invoices received and disburse funds timely to avoid any late fees.

TOWN OF GRAND COTEAU, LOUISIANA

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

B. Compliance

2022-009 Failure to Publish Minutes

Fiscal year finding initially occurred: 2021

CONDITION: The Town did not publish minutes for all of its public meetings within a reasonable period of time.

CRITERIA: LA R.S. 42:20 states that all public bodies shall keep written minutes of all open meetings. It further states that the minutes shall be public records and shall be available within a reasonable period of time after the meeting and published in the public body's official journal. LA R.S. 43:144 requires the official proceedings to be published within 20 days from the date of the meeting. In addition, LA R.S. 42:20B states that if the public body has a website, the minutes need to be posted to the website within 10 days after publication in the official journal and should remain there for at least three months after being posted online.

CAUSE: The Town did not publish minutes in the official journal within the required time frame but rather posted a copy of the minutes on the Town Hall door and on the local Post Office bulletin board.

EFFECT: Members of the public were not provided information regarding the Town's activities in the manner prescribed by law.

RECOMMENDATION: The Town should comply with LA R.S. 42:20B and 43:144 and publish all minutes in accordance with state law.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Town will implement policies and procedures to ensure that minutes of all open meetings will be made available as public record and published in the official journal timely.

2022-010 Records to be Kept - Minutes

Fiscal year finding initially occurred: 2022

CONDITION: The Town failed to maintain minutes for all meetings held during fiscal year. Town officials have been able to provide agendas for two scheduled meetings; however, there are no minutes available, and no recordings of the meetings could be located.

TOWN OF GRAND COTEAU, LOUISIANA

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

CRITERIA: LA R.S. 33:421 requires that the clerk keep a book to be labeled "Municipal Minutes, Town of Grand Coteau" in which he/she shall record the proceedings of the mayor and board of aldermen, and keep the same fully indexed alphabetically, so that all entries on the minutes can be easily found.

CAUSE: The Town did not prepare minutes for two scheduled meetings. Records do not exist to evidence if the meetings occurred; however, board member were paid for these meetings.

EFFECT: The official record of the proceedings of the mayor and board of aldermen may not be complete.

RECOMMENDATION: The Town should comply with LA R.S. 33:421 and maintain minutes for all proceedings of the mayor and board of aldermen.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Town will implement policies to ensure that minutes of all meetings are prepared and maintained in the official minute book.

2022-011

Compensation of Town Officials

Fiscal year finding initially occurred: 2022

CONDITION: Beginning in July 2021, the Town increased board member compensation; however, no evidence of approval of this action was provided in the minutes. Also, the Town failed to fix the compensation of the mayor, board of aldermen, clerk, chief of police, and other municipal officers by ordinance as required by LA R.S. 33:404.1. Although the Attorney General has opined that the budget ordinance, while not the preferred method, may be used to raise the set salary of the elected officials and municipal officers, thereby satisfying the requirements of LA R.S. 33:404.1, the Town's budget ordinance did not address this increase in compensation until the budget was amended at the end of the fiscal year.

CRITERIA: LA R.S. 404.1 requires that the board shall, by ordinance, fix the compensation of the mayor, aldermen, clerk, chief of police, and all other municipal officers. The board may, by ordinance, increase or decrease their compensation and the compensation of any nonelected municipal officer and may increase the compensation of other elected officials. However, the board shall not reduce the compensation of any elected official during the term for which he is elected.

CAUSE: The Town was unable to provide evidence that the compensation of the mayor, board of aldermen, clerk, chief of police, and other municipal officers were fixed by ordinance as required.

TOWN OF GRAND COTEAU, LOUISIANA

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

EFFECT: Failure to fix the compensation of the mayor, board of aldermen, clerk, chief of police, and other municipal officers increases the risk that the Town will be in violation of state law.

RECOMMENDATION: The Town should comply with LA R.S. 33:404.1 regarding the compensation of municipal officers.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Town will implement policies to ensure compliance with the laws regarding compensation of municipal officers.

C. Management Letter

A management letter was issued related to operating losses in the Town's Gas, Water, and Sewer Funds.

TOWN OF GRAND COTEAU, LOUISIANA

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

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting and Compliance

2021-001 Inadequate Segregation of Accounting Functions

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

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 control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) record keeping; and (4) reconciliation.

CURRENT STATUS: Unresolved. See item 2022-001.

2021-002 Controls over Personnel Files

CONDITION: The Town did not have proper controls over the maintenance of personnel files.

RECOMMENDATION: Procedures should be implemented to ensure that personnel files are current and complete for all employees.

CURRENT STATUS: Unresolved. See item 2022-002.

2022-003 Maintenance of Employee Leave Records

CONDITION: The Town did not have proper controls over the maintenance of employee leave records.

RECOMMENDATION: Procedures should be implemented to ensure that leave records are current and complete for all employees.

CURRENT STATUS: Unresolved. See item 2022-003.

2021-004 Reconciliation of Bank Accounts

CONDITION: The Town did not prepare all bank reconciliations for its bank accounts for all months during the fiscal year timely.

TOWN OF GRAND COTEAU, LOUISIANA

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

RECOMMENDATION: Management should prepare written bank reconciliations within 30 days of receipt of bank statements by an employee who does not have responsibility/authority to (1) sign checks; or (2) receive and deposit cash; or (3) authorize disbursements. The monthly bank reconciliations should be properly completed, dated, and signed by both the preparer and reviewer/approver and be maintained on file for subsequent review and audit.

CURRENT STATUS: Unresolved. See item 2022-004.

2021-005 Reconciliation of Utility Accounts Receivable

CONDITION: The utility accounts receivable balance in the general ledger is not reconciled monthly with the detailed accounts receivable customer listing.

RECOMMENDATION: It is recommended that the Town implement procedures to ensure the accounts receivable balance in the general ledger is reconciled monthly with the detailed accounts receivable customer listing.

CURRENT STATUS: Unresolved. See item 2022-005.

2021-006 Reconciliation of Customer Meter Deposits

CONDITION: The Town does not have complete and accurate records for customer meter deposits, and the meter deposit bank account balances are not reconciled monthly with a detailed listing of customers' meter deposits.

RECOMMENDATION: It is recommended that the Town implement procedures to ensure that an accurate listing of customer meter deposits is maintained and reconciled monthly to the meter deposit bank account and deposit liability.

CURRENT STATUS: Unresolved. See item 2022-006.

2021-007 Purchasing Procedures

CONDITION: There is a lack of controls over the purchasing system. Invoices are not officially approved, and the purchase order system is not properly utilized.

TOWN OF GRAND COTEAU, LOUISIANA

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

RECOMMENDATION: Management should enforce compliance with its written policies and procedures, revise policies and procedures to include proper controls, and have procedures in place to monitor those controls.

CURRENT STATUS: Resolved.

2021-008 Utility Bill Collections

CONDITION: During a test of utility accounts of the Town's customers, it was noted that some accounts are not being paid in full or timely, and the customers, including employees and Town officials, continue to receive service in violation of the Town's utility cut-off policy and are not charged a late fee.

RECOMMENDATION: Management should consistently comply with its written policies and procedures in the future and cut-off utility services of customers, including employees and Town officials, who do not pay within the time limited stated in the policy.

CURRENT STATUS: Unresolved. See item 2022-007.

2021-009 Late Payment of Invoices

CONDITION: During the year, the Town paid several invoices after the due date resulting in late fees being assessed.

RECOMMENDATION: It is recommended that the Town process and pay invoices timely and by the due date.

CURRENT STATUS: Unresolved. See item 2022-008.

2021-010 Financial Accounting Records

CONDITION: The Town did not maintain accurate financial accounting records during the year, including accurate support for deposits, disbursements, and occupational licenses issued.

RECOMMENDATION: The Town should maintain supporting documentation for all revenue and expense/expenditure transactions and occupational licenses issued.

CURRENT STATUS: Resolved.

TOWN OF GRAND COTEAU, LOUISIANA

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

2021-011 Noncompliance with Budget Act

CONDITION: The Town did not comply with the provisions of LA-RS 39:1311(A)(1)&(2) with respect to the TIF District Fund. Total expenditures exceeded budgeted expenditures in the TIF District Fund by 8.34 % or \$2,208.

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

CURRENT STATUS: Resolved.

2021-012 Failure to Publish Minutes

CONDITION: The Town did not publish minutes for all of its public meetings within a reasonable period of time.

RECOMMENDATION: The Town should comply with LA R.S. 42:20B and 43:144 and publish all minutes in accordance with state law.

CURRENT STATUS: Unresolved. See item 2022-009.

2021-013 Budget – Public Participation

CONDITION: The Town failed to advertise the original budget for fiscal year 2021.

RECOMMENDATION: The Town should comply with LA R.S. 39:1305(B) and 39:1306(D) and publish all required notices in accordance with state law.

CURRENT STATUS: Resolved.

KOLDER, SLAVEN & COMPANY, LLC

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Of Counsel

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Christine C. Doucet, CPA – retired 2022

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MANAGEMENT LETTER

The Honorable Patrick Richard, Mayor
and Members of the Board of Aldermen
Town of Grand Coteau, Louisiana

We have completed our audit of the basic financial statements of the Town of Grand Coteau, Louisiana, for the year ended June 30, 2022, and submit the following recommendations for your consideration:

- (1) The Gas, Water, and Sewer Funds experienced operating losses during the current year. Failure to make a profit on utility sales could result in the Town not having resources to pay current expenses. The Town should consider increasing utility rates and/or decreasing expenses in order for the utility system to operate on a profitable basis.

In conclusion, we express our appreciation to you and your staff, particularly to your office staff, for the courtesies and assistance rendered to us during the performance of our audit. Should you have any questions or need assistance in implementing our recommendations, please feel free to contact us.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
December 20, 2022

TOWN OF GRAND COTEAU, LOUISIANA

Statewide Agreed-Upon Procedures Report

Year Ended June 30, 2022

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Alderman of the
Town of Grand Coteau
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. The Town of Grand Coteau's management is responsible for those C/C areas identified in the SAUPs.

The Town of Grand Coteau has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2021 through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

Written policies and procedures were obtained and do not address the functions noted above.

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.

Written policies and procedures were obtained; however, they do not address how vendors are added to the vendor list.

c) ***Disbursements***, including processing, reviewing, and approving.

Written policies and procedures were obtained and address the functions noted above.

- 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).

Written policies and procedures were obtained and do not address the functions noted above.

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

Written policies and procedures were obtained and do not address the functions noted above.

- 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.

Written policies and procedures were obtained and do not address the functions above.

- 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).

Written policies and procedures were obtained and do not address the functions noted above.

- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

Written policies and procedures were obtained and do not address the functions noted above.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

Written policies and procedures were obtained and do not address the functions noted above.

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Written policies and procedures were obtained and do not address the functions noted above.

- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Written policies and procedures were obtained and do not address the functions noted above.

- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Written policies and procedures were obtained and do not address the functions noted above

Board or Finance Committee

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

Obtained and reviewed minutes of the managing board for the fiscal period; however, we were unable to determine if the board met monthly due to lack of evidence of a meeting occurring during January 2022.
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.

Observed that the monthly minutes did not reference or include monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual at a minimum on proprietary funds, and semi-annual budget-to-actual at a minimum on all special revenue funds.
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Obtained the prior year audit report noting a positive ending unassigned fund balance in the general fund.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

Obtained a listing of entity bank accounts for the fiscal period and management's representation that the listing is complete.

 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

Obtained and reviewed bank reconciliations noting that four of the bank reconciliations selected were not prepared within two months of the related statement closing date. It was also noted that none of the reconciliations selected included preparers initials.
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Obtained and reviewed bank reconciliations noting that they did not include evidence of review by a member of management who does not handle cash, post ledgers, or issue checks.

- c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Obtained and reviewed bank reconciliations noting that three of the bank reconciliations selected did not have documentation indicating management researched reconciling items that have been outstanding for more than twelve months from the statement closing date.

Collections (excluding electronic funds transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Obtained a listing of deposit sites for the fiscal period and management's representation that the listing is complete.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees responsible for cash collections do not share cash drawers/registers.

Observed that employees responsible for cash collections do not share the same 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.

Observed that employees responsible for collecting cash are responsible for preparing/making bank deposits; however, another employee is responsible for reconciling collection documentation 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.

Observed that employees responsible for collecting cash are not responsible for posting collection entries to the general ledger or subsidiary ledgers.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Observed that employees responsible for reconciling cash collections to the general ledger or subsidiary ledgers are not responsible for collecting cash.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

Obtained and reviewed a copy of the bond or insurance policy for theft covering all employees who have access to cash noting no exceptions.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
Observed that three of the deposits selected for testing did not have appropriate supporting documentation which would allow us to perform this procedure.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
Observed that three of the deposits selected for testing did not have appropriate supporting documentation which would allow us to perform this procedure.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
Traced the deposit slip total to the actual deposit per the bank statement noting no exceptions.
 - d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
Observed that three of the deposits selected for testing did not have appropriate supporting documentation which would allow us to perform this procedure.
 - e) Trace the actual deposit per the bank statement to the general ledger.
Traced the actual deposit per the bank statement to the general ledger noting no exceptions.

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

8. Obtain a listing of locations that process payments for the fiscal period and management’s representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
Obtained a listing of locations that process payments for the fiscal period and management’s representation that the listing is complete.
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
Observed that 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.
Observed that 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.
Observed that the employee responsible for processing payments is not prohibited from adding/modifying 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.

Observed that the employees responsible for processing payments is also responsible for signing checks and mailing the signed checks.

- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

Observed that the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables were received by the entity.

- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Observed that the disbursement documentation did not include evidence of segregation of duties.

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

- 11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Obtained a listing of all active credit cards, bank debit cards, fuel cards, and P-cards for the fiscal period and management's representation that the listing is complete.

- 12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

Observed that the monthly statements selected and supporting documentation were not reviewed and approved, in writing, by someone other than the card holder.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

Observed that late fees were assessed on one of the selected statements.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Observed that the transactions selected were supported by an original itemized receipt that identifies precisely what was purchased, written documentation of the business/public purpose, and documentation of the individuals participating in meals.

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

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

Obtained a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing is complete.

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Observed that two of the reimbursements selected used rates that were more than the rates established by either the State of Louisiana or the U.S. General Services Administration.

- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

Observed that the reimbursements selected were not reimbursed using actual costs.

- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

Observed that the reimbursements selected were supported by documentation of the business/public purpose.

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

Observed that two of the reimbursements selected were not reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

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

Per discussion with management, there were no contracts initiated or renewed during the fiscal period.

Payroll and Personnel

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Obtained a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

Observed that the employees or officials selected documented their daily attendance and leave noting no exceptions.

- b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

Observed that supervisors approved the attendance and leave of the employees or officials selected noting no exceptions.

- c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Observed that the leave accrued or taken during the pay period selected is not reflected in the entity's cumulative leave records.

- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Observed that the rate paid to the employees or officials selected were not able to be traced to their personnel file.

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Per discussion with management, there were no termination payments during the fiscal period.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Obtained management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and worker's compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

- a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

Observed that each employee/official selected completed one hour of ethics training during the fiscal period.

- b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Observed that the entity does not have an ethics policy.

Debt Service

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

Per conversation with management, there were no bonds/notes and other debt instruments issued during the fiscal period.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. No exceptions noted.

Fraud Notice

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

Per discussion with management, there were no misappropriations of public funds and assets during the fiscal period.

24. Observe 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.

Observed the entity does not have the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds posted on their premises. It was also noted that the entity does not maintain a website.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures:

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

We performed the procedure and discussed the results with management.

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Observed supporting documentation that demonstrated each employee/official selected completed at least one hour of sexual harassment training during the calendar year.

27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Observed that the entity does not have a sexual harassment policy.

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

The annual report was not prepared.

Management's Response

Management of the Town of Grand Coteau concurs with the exceptions and are working to address the deficiencies identified.

We were engaged by the Town of Grand Coteau to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Town of Grand Coteau and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Ville Platte, Louisiana
December 20, 2022