

TOWN OF ARNAUDVILLE, LOUISIANA

Financial Report

Year Ended June 30, 2020

TABLE OF CONTENTS

	Page
Independent Auditors' Report	1 - 3
 BASIC FINANCIAL STATEMENTS	
 GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	
Statement of net position	6
Statement of activities	7
 FUND FINANCIAL STATEMENTS (FFS)	
Major fund descriptions	9
Balance sheet - governmental funds	10
Reconciliation of the governmental funds balance sheet to the statement of net position	11
Statement of revenues, expenditures, and changes in fund balances- governmental funds	12
Reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities	13
Statement of net position - proprietary fund	14
Statement of revenues, expenses, and changes in fund net position - proprietary fund	15-16
Statement of cash flows - proprietary fund	17-18
 NOTES TO BASIC FINANCIAL STATEMENTS	 19-41
 REQUIRED SUPPLEMENTARY INFORMATION	
General Fund - budgetary comparison schedule	43
1969 Sales Tax Special Revenue Fund - budgetary comparison schedule	44
1982 Sales Tax Special Revenue Fund - budgetary comparison schedule	45
Schedule of employer's share of net pension liability	46
Schedule of employer contributions	47
Notes to the required supplementary information	48

TABLE OF CONTENTS

	Page
OTHER SUPPLEMENTARY INFORMATION	
Statement of net position - compared to prior year totals	50
General and Special Revenue Funds- comparative balance sheet	51
Budgetary comparison schedules:	
General Fund - budgetary comparison schedule - revenues	52
General Fund - budgetary comparison schedule - expenditures	53-54
1969 Sales Tax Special Revenue Fund - budgetary comparison schedule	55
1982 Sales Tax Special Revenue Fund - budgetary comparison schedule	56
Street Improvement Fund - budgetary comparison schedule	57
2% Set Aside Fund - budgetary comparison schedule	58
LCDBG Grant Projects Fund - budgetary comparison schedule	59
Schedule of number of utility customers	60
Schedule of insurance in force	61
Comparative departmental statement of revenues and expenses - Utility Fund	62-63
 INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	65-66
 Schedule of prior and current year audit findings and management's corrective action plan	 67-68

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Arnaudville, Louisiana (Town), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of Arnaudville, Louisiana, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedule of employer's share of net pension liability and schedule of employer contributions on pages 43 through 47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Supplementary Information

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

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

The prior year comparative information on these statements has been derived from the Town of Arnaudville's 2019 financial statements, which was subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and, in our opinion, was fairly presented, in all material respects, in relation to the basic financial statements as a whole.

The various schedules on pages 52 through 61 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2020, on our consideration of the Town of Arnaudville, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Arnaudville, Louisiana's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
November 20, 2020

BASIC FINANCIAL STATEMENTS

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

TOWN OF ARNAUDVILLE, LOUISIANA

Statement of Net Position
June 30, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and interest-bearing demand deposits	\$ 1,182,222	\$ 748,102	\$ 1,930,324
Interest-bearing time deposits	510,614	1,027,795	1,538,409
Receivables, net	20,169	123,470	143,639
Internal balances	169,280	(169,280)	-
Due from other governmental units	58,646	-	58,646
Prepaid items	9,500	11,347	20,847
Total current assets	<u>1,950,431</u>	<u>1,741,434</u>	<u>3,691,865</u>
Noncurrent assets:			
Restricted assets:			
Cash and interest-bearing demand deposits	20,443	171,360	191,803
Interest-bearing time deposits	-	44,647	44,647
Capital assets, net	<u>1,987,881</u>	<u>4,503,103</u>	<u>6,490,984</u>
Total noncurrent assets	<u>2,008,324</u>	<u>4,719,110</u>	<u>6,727,434</u>
Total assets	<u>3,958,755</u>	<u>6,460,544</u>	<u>10,419,299</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>181,285</u>	<u>146,759</u>	<u>328,044</u>
LIABILITIES			
Current liabilities:			
Accounts and other payables	90,146	43,862	134,008
Bonds payable	-	40,000	40,000
Customers deposits payable	-	59,230	59,230
Total current liabilities	<u>90,146</u>	<u>143,092</u>	<u>233,238</u>
Noncurrent liabilities:			
Net pension liability	649,951	435,712	1,085,663
Bonds payable	-	73,000	73,000
Total noncurrent liabilities	<u>649,951</u>	<u>508,712</u>	<u>1,158,663</u>
Total liabilities	<u>740,097</u>	<u>651,804</u>	<u>1,391,901</u>
DEFERRED INFLOWS OF RESOURCES	<u>156,294</u>	<u>10,631</u>	<u>166,925</u>
NET POSITION			
Net investment in capital assets	1,987,881	4,430,103	6,417,984
Restricted for sales tax dedications	1,056,057	-	1,056,057
Restricted for capital projects/acquisitions	20,443	-	20,443
Restricted for debt service	-	116,777	116,777
Unrestricted	<u>179,268</u>	<u>1,397,988</u>	<u>1,577,256</u>
Total net position	<u>\$ 3,243,649</u>	<u>\$ 5,944,868</u>	<u>\$ 9,188,517</u>

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

TOWN OF ARNAUDVILLE, LOUISIANA

Statement of Activities
For the Year Ended June 30, 2020

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	\$ 362,164	\$ 102,218	\$ -	\$ -	\$ (259,946)	\$ -	\$ (259,946)
Public safety:							
Police	424,797	13,550	6,584	-	(404,663)	-	(404,663)
Streets	98,670	-	3,590	-	(95,080)	-	(95,080)
Parks and recreation	42,534	-	7,817	-	(34,717)	-	(34,717)
Total governmental activities	<u>928,165</u>	<u>115,768</u>	<u>17,991</u>	<u>-</u>	<u>(794,406)</u>	<u>-</u>	<u>(794,406)</u>
Business-type activities:							
Gas	305,200	314,214	-	-	-	9,014	9,014
Water	451,900	398,512	-	-	-	(53,388)	(53,388)
Sewer	302,288	199,318	-	53,239	-	(49,731)	(49,731)
Sanitation	8,552	413	-	-	-	(8,139)	(8,139)
Total business-type activities	<u>1,067,940</u>	<u>912,457</u>	<u>-</u>	<u>53,239</u>	<u>-</u>	<u>(102,244)</u>	<u>(102,244)</u>
Total	<u>\$ 1,996,105</u>	<u>\$ 1,028,225</u>	<u>\$ 17,991</u>	<u>\$ 53,239</u>	<u>(794,406)</u>	<u>(102,244)</u>	<u>(896,650)</u>
General revenues:							
Taxes -							
Property taxes, levied for general purposes					46,769	54,206	100,975
Sales and use taxes, levied for general purposes					636,098	-	636,098
Franchise taxes					67,457	-	67,457
Grants and contributions not restricted to specific programs -							
State sources					48,086	-	48,086
Non-employer pension contribution					12,231	6,691	18,922
Interest and investment earnings					10,272	13,884	24,156
Miscellaneous					39,582	-	39,582
Transfers					329,315	(329,315)	-
Total general revenues and transfers					<u>1,189,810</u>	<u>(254,534)</u>	<u>935,276</u>
Change in net position					395,404	(356,778)	38,626
Net position - July 1, 2019					<u>2,848,245</u>	<u>6,301,646</u>	<u>9,149,891</u>
Net position - June 30, 2020					<u>\$ 3,243,649</u>	<u>\$ 5,944,868</u>	<u>\$ 9,188,517</u>

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

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTIONS

MAJOR FUNDS

General Fund

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

Special Revenue Funds

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

1969 Sales Tax Fund -

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

1982 Sales Tax Fund -

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

Capital Projects Funds

Street Improvement Fund -

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

2% Set Aside Fund -

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

LCDBG Grant Projects Fund -

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

Enterprise Fund

Utility Fund -

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

TOWN OF ARNAUDVILLE, LOUISIANA

Balance Sheet
Governmental Funds
June 30, 2020

	General	1969 Sales Tax Special Revenue	1982 Sales Tax Special Revenue	Street Improvement Capital Projects	2% Set Aside Capital Projects	LCDBG Grant Projects	Total
ASSETS							
Cash and interest-bearing demand deposits	\$ 508,860	\$ 171,441	\$ 483,726	\$ 38,636	\$ -	\$ 2	\$ 1,202,665
Interest-bearing time deposits	-	231,610	120,436	-	158,568	-	510,614
Receivables:							
Other	18,204	-	-	-	-	-	18,204
Interest	-	976	841	-	148	-	1,965
Due from other governmental units	-	29,323	29,323	-	-	-	58,646
Due from other funds	160,984	18,668	-	-	40,625	-	220,277
Prepaid items	9,500	-	-	-	-	-	9,500
Total assets	<u>697,548</u>	<u>452,018</u>	<u>634,326</u>	<u>38,636</u>	<u>199,341</u>	<u>2</u>	<u>2,021,871</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	43,865	6,665	2,733	-	-	-	53,263
Contracts payable	3,805	-	-	-	-	-	3,805
Retainage payable	18,857	-	-	-	-	-	18,857
Due to other funds	30,108	8,134	12,755	-	-	-	50,997
Total liabilities	<u>96,635</u>	<u>14,799</u>	<u>15,488</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>126,922</u>
Fund balances -							
Nonspendable (prepaid items)	9,500	-	-	-	-	-	9,500
Restricted for sales tax dedications	-	437,219	618,838	-	-	-	1,056,057
Restricted for capital projects	-	-	-	20,443	-	-	20,443
Assigned for capital projects	-	-	-	18,193	199,341	2	217,536
Unassigned	591,413	-	-	-	-	-	591,413
Total fund balances	<u>600,913</u>	<u>437,219</u>	<u>618,838</u>	<u>38,636</u>	<u>199,341</u>	<u>2</u>	<u>1,894,949</u>
Total liabilities and fund balances	<u>\$ 697,548</u>	<u>\$ 452,018</u>	<u>\$ 634,326</u>	<u>\$ 38,636</u>	<u>\$ 199,341</u>	<u>\$ 2</u>	<u>\$ 2,021,871</u>

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

TOWN OF ARNAUDVILLE, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2020

Total fund balances for governmental funds at June, 30, 2020		\$ 1,894,949
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 201,668	
Buildings and improvements, net of \$484,951 accumulated depreciation	709,713	
Infrastructure, net of \$582,930 accumulated depreciation	946,897	
Equipment and vehicles, net of \$444,739 accumulated depreciation	<u>129,603</u>	1,987,881
The deferred outflows of expenditures for the municipal and police employees retirement systems are not a use of current resources, and therefore, are not reported in the funds		
		181,285
Long-term liabilities of governmental activities are not payable from current resources and, therefore, not reported in the funds. These liabilities consist of:		
Compensated absences payable	(14,221)	
Net pension liability	<u>(649,951)</u>	(664,172)
The deferred inflows of contributions for the municipal and police employees retirement systems are not available resources, and therefore, are not reported in the funds		
		<u>(156,294)</u>
Total net position of governmental activities at June, 30, 2020		<u>\$3,243,649</u>

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

TOWN OF ARNAUDVILLE, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
For the Year Ended June 30, 2020

	General	1969 Sales Tax Special Revenue	1982 Sales Tax Special Revenue	Street Improvement Capital Projects	2% Set Aside Capital Projects	LCDBG Grant Projects	Total
Revenues:							
Taxes	\$ 114,226	\$ 318,049	\$ 318,049	\$ -	\$ -	\$ -	\$ 750,324
Licenses and permits	102,218	-	-	-	-	-	102,218
Intergovernmental	51,676	6,584	-	-	-	-	58,260
Fines and forfeits	13,550	-	-	-	-	-	13,550
Miscellaneous	47,399	2,620	5,746	116	1,790	-	57,671
Total revenues	<u>329,069</u>	<u>327,253</u>	<u>323,795</u>	<u>116</u>	<u>1,790</u>	<u>-</u>	<u>982,023</u>
Expenditures:							
Current -							
General government	287,763	17,718	17,180	-	-	-	322,661
Public safety - police	194,291	208,017	-	-	-	-	402,308
Streets	36,710	-	26,162	-	-	-	62,872
Parks and recreation	28,844	-	4,934	-	-	-	33,778
Capital outlay	270,525	-	-	-	-	-	270,525
Total expenditures	<u>818,133</u>	<u>225,735</u>	<u>48,276</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,092,144</u>
Excess (deficiency) of revenues over expenditures	<u>(489,064)</u>	<u>101,518</u>	<u>275,519</u>	<u>116</u>	<u>1,790</u>	<u>-</u>	<u>(110,121)</u>
Other financing sources (uses):							
Transfers in	491,010	-	-	-	38,305	-	529,315
Transfers out	-	-	(200,000)	-	-	-	(200,000)
Total other financing sources (uses)	<u>491,010</u>	<u>-</u>	<u>(200,000)</u>	<u>-</u>	<u>38,305</u>	<u>-</u>	<u>329,315</u>
Net changes in fund balances	1,946	101,518	75,519	116	40,095	-	219,194
Fund balances, beginning	<u>598,967</u>	<u>335,701</u>	<u>543,319</u>	<u>38,520</u>	<u>159,246</u>	<u>2</u>	<u>1,675,755</u>
Fund balances, ending	<u>\$ 600,913</u>	<u>\$ 437,219</u>	<u>\$ 618,838</u>	<u>\$ 38,636</u>	<u>\$ 199,341</u>	<u>\$ 2</u>	<u>\$ 1,894,949</u>

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

TOWN OF ARNAUDVILLE, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2020

Total net changes in fund balance at June 30, 2020 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ 219,194
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 are considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances	\$270,525	
Depreciation expense for the year ended June 30, 2020	<u>(101,161)</u>	169,364
Differences between the amount reported as expenses in the statement of activities and those reported as expenditures in the fund financial statements:		
Compensated absences	(1,081)	
Pension expense	<u>(4,304)</u>	(5,385)
Non-employer's contributions to the municipal employees and the police employees pension plans		<u>12,231</u>
Total net changes in net position at June 30, 2020 per Statement of Activities		<u>\$ 395,404</u>

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

TOWN OF ARNAUDVILLE, LOUISIANA

Statement of Net Position

Proprietary Fund

June 30, 2020

	<u>Enterprise Fund</u>
ASSETS	
Current assets:	
Cash and interest-bearing demand deposits	\$ 748,102
Interest-bearing time deposits	1,027,795
Receivables:	
Accounts	116,942
Other	6,528
Due from other governmental units	-
Due from other funds	24,490
Prepaid items	11,347
Total current assets	<u>1,935,204</u>
Noncurrent assets:	
Restricted assets -	
Cash and interest-bearing demand deposits	171,360
Interest-bearing time deposits	44,647
Capital assets, net of accumulated depreciation	4,503,103
Total noncurrent assets	<u>4,719,110</u>
Total assets	<u>6,654,314</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>146,759</u>
LIABILITIES	
Current liabilities:	
Accounts payable	26,501
Retainage payable	4,793
Due to other funds	193,770
Accrued liabilities	12,568
Payable from restricted assets -	
Revenue bonds	40,000
Customers' deposits payable	59,230
Total current liabilities	<u>336,862</u>
Noncurrent liabilities:	
Net pension liability	435,712
Revenue bonds payable	73,000
Total noncurrent liabilities	<u>508,712</u>
Total liabilities	<u>845,574</u>
DEFERRED INFLOWS OF RESOURCES	<u>10,631</u>
NET POSITION	
Net investment in capital assets	4,430,103
Restricted for debt service	116,777
Unrestricted	1,397,988
Total net position	<u>\$ 5,944,868</u>

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

TOWN OF ARNAUDVILLE

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

	<u>Enterprise Fund</u>
Operating revenues:	
Charges for services -	
Gas charges	\$ 282,229
Water charges	380,879
Sewer service charges	196,065
Sanitation charges	413
Miscellaneous	<u>52,871</u>
Total operating revenues	<u>912,457</u>
Operating expenses:	
Salaries	240,535
Payroll taxes and retirement	64,563
Retirement - GASB 68	34,679
Gas purchases	50,926
Supplies, repairs and maintenance	238,061
Professional fees	41,792
Telephone	6,459
Depreciation	266,757
Insurance	54,938
Utilities	29,650
Fire department expense	3,072
Office supplies	10,339
Miscellaneous	<u>18,836</u>
Total operating expenses	<u>1,062,726</u>
Operating loss	<u>(150,269)</u>

(continued)

TOWN OF ARNAUDVILLE, LOUISIANA

Statement of Revenues, Expenses, and Changes in Fund Net Position -
 Proprietary Fund (Continued)
 For the Year Ended June 30, 2020

	<u>Enterprise Fund</u>
Nonoperating revenues (expenses):	
Non-employer pension contribution	6,691
Interest income	13,884
Ad valorem taxes	54,206
Interest expense	<u>(5,214)</u>
Total nonoperating revenues (expenses)	<u>69,567</u>
Loss before contributions and transfers	(80,702)
Contributions	53,239
Transfers out	<u>(329,315)</u>
Change in net position	(356,778)
Net position, beginning	<u>6,301,646</u>
Net position, ending	<u>\$ 5,944,868</u>

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

TOWN OF ARNAUDVILLE, LOUISIANA

Statement of Cash Flows
 Proprietary Fund
 For the Year Ended June 30, 2020

	<u>Enterprise Fund</u>
Cash flows from operating activities:	
Receipts from customers	\$ 917,571
Payments to suppliers	(585,620)
Payments to employees	<u>(175,972)</u>
Net cash provided by operating activities	<u>155,979</u>
Cash flows from noncapital financing activities:	
Cash received by other funds	148,215
Transfers to other funds	(329,315)
Increase in customer deposits payable	1,175
Ad valorem tax receipts	<u>60,129</u>
Net cash used by noncapital financing activities	<u>(119,796)</u>
Cash flows from capital and related financing activities:	
Principal paid on revenue bonds	(39,000)
Interest and fiscal charges paid on revenue bonds	(6,326)
Acquisition of property, plant and equipment	(148,850)
Capital contributions	<u>53,239</u>
Net cash used by capital and related financing activities	<u>(140,937)</u>
Cash flows from investing activities:	
Maturities of interest-bearing time deposits	1,062,086
Purchase of interest-bearing time deposits	(1,072,442)
Interest on interest-bearing deposits	<u>13,884</u>
Net cash provided by investing activities	<u>3,528</u>
Net decrease in cash and cash equivalents	(101,226)
Cash and cash equivalents, beginning of period	<u>1,020,688</u>
Cash and cash equivalents, end of period	<u>\$ 919,462</u>

(continued)

TOWN OF ARNAUDVILLE, LOUISIANA

Statement of Cash Flows
 Proprietary Fund (Continued)
 For the Year Ended June 30, 2020

	<u>Enterprise Fund</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$(150,269)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	266,757
Pension	34,679
Changes in current assets and liabilities:	
Decrease in accounts receivable	5,114
Increase in other receivables	(3,449)
Decrease in prepaid items	442
Increase in accounts payable	3,118
Decrease in accrued liabilities	<u>(413)</u>
Net cash provided by operating activities	<u>\$ 155,979</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:	
Cash and cash equivalents, beginning of period -	
Cash - unrestricted	\$ 852,381
Cash - restricted	<u>168,307</u>
Total cash and cash equivalents	<u>1,020,688</u>
Cash and cash equivalents, end of period -	
Cash - unrestricted	748,102
Cash - restricted	<u>171,360</u>
Total cash and cash equivalents	<u>919,462</u>
Net decrease	<u>\$(101,226)</u>

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

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

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

A Financial Reporting Entity

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

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

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

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

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

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Fund Financial Statements

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

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

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

Several funds of the Town are considered to be major funds and are described below:

Governmental Funds -

General Fund

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

Special Revenue Funds

1969 Sales Tax Fund -

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

1982 Sales Tax Fund -

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

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Capital Projects Funds

Street Improvement Fund -

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

2% Set Aside Fund -

The 2% Set Aside Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

LCDBG Grant Projects Fund -

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

Proprietary Fund -

Enterprise Fund -

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Town applies all applicable principles under the Governmental Accounting Standards Board (GASB) in accounting and reporting for its enterprise fund. The Town's enterprise fund is the Utility Fund.

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

C. Measurement Focus/Basis of Accounting

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

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Measurement Focus

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

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

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

Basis of Accounting

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

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

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

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

Cash, interest-bearing deposits, and investments

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

Interfund receivables and payables

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

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include ad valorem taxes, sales and use taxes, and franchise taxes. Business-type activities report customer's utility service receivables as their major receivables. An allowance for uncollectible ad valorem taxes was recorded at an amount equal to the receivable balance, because collection is unlikely. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month are estimated and recorded at June 30, 2020.

Capital Assets

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

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

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

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

Restricted Assets

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

Long-term debt

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

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

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

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures of revenues, respectively. At June 30, 2020, the Town's deferred outflows and inflows of resources are attributable to its pension plans.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Compensated Absences

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

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

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

At June 30, 2020, vested leave benefits have been accrued as required by GASB statement No. 16 "Accounting for Compensated Absences."

Equity Classifications

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

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

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

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

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

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

E. Capitalization of Interest Expense

It is the policy of the Town of Arnaudville to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets. At June 30, 2020, there was no material interest paid on borrowings for assets under construction, and therefore, no capitalized interest expense was recorded on the books.

F. Use of Estimates

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

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(2) Ad Valorem Taxes

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

For the year ended June 30, 2020, taxes of 12.72 mills were levied on property with assessed valuations totaling \$6,329,100 and were dedicated as follows:

General corporate purposes	5.72 mills
Utility system	7.00 mills

Total taxes levied were \$80,506. Taxes receivable at June 30, 2020 was \$15,518. The allowance for uncollectible accounts was \$12,167 at June 30, 2020; therefore, the net taxes receivable is \$3,351 at June 30, 2020.

(3) Sales and Use Tax

Proceeds of a 1 percent sales and use tax (accounted for in the 1969 Sales Tax Fund - a special revenue fund) levied by the Town of Arnaudville (2020 collections \$318,049) are dedicated to the following purposes:

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

Proceeds of a 1 percent sales and use tax (accounted for in the 1982 Sales Tax Fund - a special revenue fund) levied by the Town of Arnaudville (2020 collections \$318,049) are dedicated to the following purposes:

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

The above sales taxes were issued in perpetuity.

(4) Cash and Interest-Bearing Deposits and Investments

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

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

At June 30, 2020, the Town had cash and interest-bearing deposits (book balances) totaling \$3,705,183 as follows:

Demand deposits	\$2,122,127
Time deposits	<u>1,583,056</u>
Total	<u>\$3,705,183</u>

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

Deposit balances (bank balances) at June 30, 2020 were secured as follows:

Bank balances	<u>\$3,687,921</u>
Federal deposit insurance	1,000,000
Pledged securities	<u>2,687,921</u>
Total FDIC insurance and pledged securities	<u>\$3,687,921</u>

Deposits in the amount of \$2,687,921 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the Town's name. Even though the pledged securities are considered uncollateralized, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Town that the fiscal agent has failed to pay deposited funds upon demand. The Town does not have a policy for custodial credit risk.

(5) Receivables

Receivables at June 30, 2020 of \$143,639 consist of the following:

	General	1969 Sales Tax	1982 Sales Tax	2% Set Aside	Utility	Total
Accounts	\$ -	\$ -	\$ -	\$ -	\$ 186,101	\$ 186,101
Allowance	-	-	-	-	(71,002)	(71,002)
Ad valorem taxes	1,508	-	-	-	1,843	3,351
Franchise taxes	16,696	-	-	-	-	16,696
Interest	-	976	841	148	6,407	8,372
Other	-	-	-	-	121	121
Totals	<u>\$ 18,204</u>	<u>\$ 976</u>	<u>\$ 841</u>	<u>\$ 148</u>	<u>\$ 123,470</u>	<u>\$ 143,639</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(6) Due from Other Governmental Units

Amounts due from other governmental units at June 30, 2020 consisted of the following:

1969 Sales Tax Special Revenue Fund:

Amount due from the St. Landry Parish School Board for sales tax revenues for the month of June 2020 \$ 29,323

1982 Sales Tax Special Revenue Fund:

Amount due from the St. Landry Parish School Board for sales tax revenues for the month of June 2020 29,323
\$ 58,646

(7) Restricted Assets - Proprietary Fund Type

Restricted assets in the business-type activities consisted of the following at June 30, 2020:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Construction funds - street improvements	\$ 20,443	\$ -	\$ 20,443
Revenue bond sinking and interest redemption fund	-	55,732	55,732
Revenue bond reserve fund	-	21,985	21,985
Revenue bond capital additions and contingencies fund	-	79,060	79,060
Customers' deposits	-	59,230	59,230
Total restricted assets	<u>\$ 20,443</u>	<u>\$216,007</u>	<u>\$236,450</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(8) Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance 7/1/2019	Additions	Deletions	Balance 6/30/2020
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 201,668	\$ -	\$ -	\$ 201,668
Other capital assets:				
Buildings and improvements	1,172,336	22,328	-	1,194,664
Infrastructure	1,286,740	243,087	-	1,529,827
Equipment and vehicles	569,232	5,110	-	574,342
Totals	<u>3,229,976</u>	<u>270,525</u>	<u>-</u>	<u>3,500,501</u>
Less accumulated depreciation				
Buildings and improvements	457,053	27,991	-	485,044
Infrastructure	544,031	38,807	-	582,838
Equipment and vehicles	410,375	34,363	-	444,738
Total accumulated depreciation	<u>1,411,459</u>	<u>101,161</u>	<u>-</u>	<u>1,512,620</u>
Governmental activities, capital assets, net	<u>\$ 1,818,517</u>	<u>\$ 169,364</u>	<u>\$ -</u>	<u>\$ 1,987,881</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 48,179	\$ 10,030	\$ -	\$ 58,209
Construction in progress	60,337	5,321	65,658	-
Other capital assets:				
Plant and equipment - gas	951,368	22,933	-	974,301
Plant and equipment - water system	3,440,202	66,528	-	3,506,730
Plant and equipment - sewer system	3,732,412	71,835	8,500	3,795,747
Auto and office equipment	365,200	-	-	365,200
Totals	<u>8,597,698</u>	<u>176,647</u>	<u>74,158</u>	<u>8,700,187</u>
Less accumulated depreciation				
Plant and equipment - gas	695,147	18,542	-	713,689
Plant and equipment - water system	1,342,107	114,502	-	1,456,609
Plant and equipment - sewer system	1,611,811	114,501	8,500	1,717,812
Auto and office equipment	289,762	19,212	-	308,974
Total accumulated depreciation	<u>3,938,827</u>	<u>266,757</u>	<u>8,500</u>	<u>4,197,084</u>
Business-type activities, capital assets, net	<u>\$ 4,658,871</u>	<u>\$ (90,110)</u>	<u>\$ 65,658</u>	<u>\$ 4,503,103</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 38,440
Police	18,165
Streets	35,798
Park and recreation	<u>8,758</u>
Total depreciation expense	<u>\$ 101,161</u>

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

Gas	\$ 25,458
Water	122,955
Sewer	<u>118,343</u>
Total depreciation expense	<u>\$ 266,757</u>

(9) Accounts, Salaries, and Other Payables

The accounts, salaries, and other payables consisted of the following at June 30, 2020:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Accounts	\$ 38,432	\$ 13,311	\$ 51,743
Contracts payable	3,805	-	3,805
Retainage payable	18,857	4,793	23,650
Accrued salaries	6,662	4,299	10,961
Retirement payable	8,169	5,546	13,715
Accrued liabilities	-	2,723	2,723
Compensated absences	<u>14,221</u>	<u>13,190</u>	<u>27,411</u>
Totals	<u>\$ 90,146</u>	<u>\$ 43,862</u>	<u>\$ 134,008</u>

(10) Long-Term Liabilities

The following is a summary of long-term liabilities transactions of the Town for the year ended June 30, 2020:

	<u>Bonds Payable</u>
Long-term liabilities at July 1, 2019	\$ 152,000
Additions	-
Reductions	<u>(39,000)</u>
Long-term liabilities at June 30, 2020	<u>\$ 113,000</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

Bonds payable at June 30, 2020 is comprised of the following:

Revenue Bonds:		<u>Due Within One Year</u>
\$245,000 Utility Bonds dated 3/24/82; due in annual installments of \$3,000 to \$13,000 through 3/24/22; interest at 5.00 percent	\$ 25,000	\$ 12,000
\$360,000 Water Bond (Prairie Des Femmes Acquisition), Series 2007 dated 10/5/07; due in annual installments of \$10,000 to \$31,000 through 5/1/23; original interest at 4.42 percent, reduced to 3.16 percent effective 1/1/12	<u>88,000</u>	<u>28,000</u>
	<u>\$ 113,000</u>	<u>\$ 40,000</u>

Interest in the amount of \$5,214 was charged to expense and allocated to the water department.

The annual requirements to amortize the outstanding debt as of June 30, 2020 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 40,000	\$ 4,031	\$ 44,031
2022	42,000	2,546	44,546
2023	<u>31,000</u>	<u>980</u>	<u>31,980</u>
	<u>\$ 113,000</u>	<u>\$ 7,557</u>	<u>\$ 120,557</u>

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

A. Under the terms of the bond indenture on outstanding utility revenue bonds dated March 24, 1982, all income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from operation of the Utility System are pledged and dedicated to the retirement of said bonds and certificates and are to be set aside into the following funds:

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

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

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

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

(12) Pension Plans

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

Plan Descriptions:

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

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

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

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

¹ With actuarial reduced benefits

² Membership commencing January 1, 2013

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

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

Contributions

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee. Contributions of employees, employers, and non-employer contributing entities effective for the year ended June 30, 2020 for the defined benefit pension plans in which the Town is a participating employer were as follows:

<u>Plan</u>	<u>Active Member Contribution Percentage</u>	<u>Employer Contribution Percentage</u>	<u>Nonemployer Contributing Entities</u>	<u>Government Contributions</u>
MERS	9.50%	27.75%	\$ 11,949	\$ 104,386
MPERS	10.00%	32.50%	6,973	28,180
Total			<u>\$ 18,922</u>	<u>\$ 132,566</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Net Pension Liability

The Town's net pension liability at June 30, 2020 is comprised of its proportionate share of the net pension liability relating to each of the cost-sharing plans in which the Town is a participating employer. The Town's net pension liability for each plan was measured as of the plan's measurement date (June 30, 2018 for both plans) and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportionate share of the net pension liability for each of the plans in which it participates was based on the Town's required contributions in proportion to total required contributions for all employers. As of the most recent measurement date, the Town's proportion for each plan and the change in proportion from the prior measurement date were as follows:

<u>Plan</u>	<u>Proportionate Share of Net Pension Liability</u>	<u>Proportionate Share (%) of Net Pension Liability</u>	<u>Increase/(Decrease) from Prior Measurement Date</u>
MERS	\$ 778,058	0.186198%	0.020633%
MPERS	<u>307,605</u>	0.033871%	-0.017048%
Total	<u>\$1,085,663</u>		

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

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

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Actuarial Assumptions

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

	MERS	MPERS
	6/30/2019	6/30/2019
Valuation date	6/30/2019	6/30/2019
Actuarial cost method	Entry Age Normal	Entry Age Normal
Investment rate of return	7.0%, net of investment expense	7.125%, net of investment expense
Expected remaining service lives	3	4
Inflation rate	2.5%	2.5%
Projected salary increases	4.9% - 7.4%	4.25% - 9.75%
Projected benefit changes including COLAs	None	None
Source of mortality assumptions	(1), (2), (3)	(4), (5), (6)

- (1) PUBG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 Scales
- (2) PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusting using their respective male and female MP2018 scales.
- (3) PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale
- (4) RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 by Scale AA (set back 1 year for females) for healthy annuitants and beneficiaries.
- (5) RP-2000 Disabled Lives Table set back 5 years for males and set back 3 years for females for disabled annuitants.
- (6) RP-2000 Employee Table set back 4 years for males and 3 years for females for active members.

Cost of Living Adjustments

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

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

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Long-term Rate of Return

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

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

Asset Class	MERS		MPERS	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income	35%	1.51%	33.50%	0.80%
Equities	50%	2.15%	48.50%	3.28%
Alternative Investments	15%	0.64%	18%	1.06%
Totals	100%	4.30%	100.00%	5.14%
Inflation		2.70%		2.75%
Expected arithmetic nominal return		7.00%		7.89%

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

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended June 30, 2020, the Town recognized \$139,014 and \$32,534 in pension expense related to MERS and MPERS, respectively.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Basic Financial Statements (Continued)

At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		
	MERS	MPERS	Total
Difference between expected and actual experience	\$ -	\$ 645	\$ 645
Changes of assumptions	19,662	17,238	36,900
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	60,781	-	60,781
Net differences between projected and actual earnings on plan investments	77,168	19,985	97,153
Contributions subsequent to the measurement date	104,386	28,180	132,566
Total	<u>\$ 261,997</u>	<u>\$ 66,048</u>	<u>\$ 328,045</u>

	Deferred Inflows of Resources		
	MERS	MPERS	Total
Difference between expected and actual experience	\$ 18,984	\$ 9,464	\$ 28,448
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	-	138,477	138,477
Total	<u>\$ 18,984</u>	<u>\$ 147,941</u>	<u>\$ 166,925</u>

Deferred outflows of resources of \$132,566 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending June 30, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

<u>Year Ended June 30,</u>	<u>MERS</u>	<u>MPERS</u>	<u>Total</u>
2021	\$ 80,032	\$ (38,641)	\$ 41,391
2022	42,262	(50,295)	(8,033)
2023	9,854	(26,126)	(16,272)
2024	6,479	4,989	11,468
	<u>\$ 138,627</u>	<u>\$(110,073)</u>	<u>\$ 28,554</u>

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net positions was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for MERS was 7.0%, a decrease of .275% from the prior year. The discount rate used to measure the total pension liability for MPERS was 7.125%, a decrease of .075% from the prior year.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Basic Financial Statements (Continued)

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

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

Plan	Current Discount Rate	Net Pension Liability		
		1% Decrease	Current Discount Rate	1% Increase
MERS	7.000%	\$ 880,653	\$ 778,058	\$ 519,025
MPERS	7.125%	604,933	307,605	280,107
Total		<u>\$1,485,586</u>	<u>\$1,085,663</u>	<u>\$ 799,132</u>

Payables to the Pension Plans

At June 30, 2020, the Town's payables were \$10,111 and \$3,604 to MERS and MPERS, respectively, for the month of June-2020, which were the contractually required contributions.

(13) Departmental Information for the Enterprise Fund

The Town of Arnaudville maintains one enterprise fund with four departments, which provides gas, water, sewerage and sanitation (on a limited basis) services. Departmental information for the year ended June 30, 2020 was as follows:

	Gas Department	Water Department	Sewerage Department	Sanitation Department	Total Enterprise Fund
Operating revenues	\$ 314,214	\$ 398,512	\$ 199,318	\$ 413	\$ 912,457
Operating expenses:					
Depreciation expense	25,458	122,955	118,343	-	266,757
Other operating expenses	279,741	323,730	183,945	8,552	795,969
Total operating expenses	<u>305,200</u>	<u>446,686</u>	<u>302,288</u>	<u>8,552</u>	<u>1,062,726</u>
Operating income (loss)	<u>\$ 9,014</u>	<u>\$ (48,174)</u>	<u>\$(102,970)</u>	<u>\$ (8,139)</u>	<u>\$ (150,269)</u>

(14) On-Behalf Payment of Salaries

The State of Louisiana paid the Town's policemen \$6,584 of supplemental pay during the year ended June 30, 2020. Such payments are recorded as intergovernmental revenues and public safety and general government expenditures in the government-wide and General Fund financial statements.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(15) Risk Management

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

(16) Pending Litigation

At June 30, 2020, the Town is not involved in any litigation.

(17) Compensation of Town Officials

A detail of compensation paid to the Mayor, Chief of Police, and Board of Aldermen for the year ended June 30, 2020 follows:

Todd Meche, Mayor	\$ 15,455
Eddie LeCompte, Chief of Police	31,624
Aldermen:	
Jamie Huval	4,200
Debra Kidder	4,200
Kevin Robin	4,200
Cynthia Stelly	4,200
Suzanne Stelly	4,200
	<u>\$ 68,079</u>

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

Under Act 706, the Town of Arnaudville is required to disclose the compensation, reimbursements, benefits, and other payments made to the mayor, in which the payments are related to the position. The following is a schedule of payments made to the Mayor for the year ended June 30, 2020.

Salary	\$ 15,455
Benefits - retirement	5,712
Travel	458
	<u>\$ 21,625</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(19) Interfund Transactions

A. Receivables and Payables

Interfund receivables and payables consisted of the following at June 30, 2020:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Funds:		
Governmental Funds:		
General Fund	\$ 160,984	\$ 30,108
1969 Sales Tax Special Revenue Fund	18,668	8,134
1982 Sales Tax Special Revenue Fund	-	12,755
2% Set Aside Capital Projects Fund	40,625	-
Enterprise Fund:		
Utility Fund	<u>24,490</u>	<u>193,770</u>
Total	<u>\$ 244,767</u>	<u>\$ 244,767</u>

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

B. Interfund Transfers

Interfund transfers consisted of the following at June 30, 2020:

	<u>Interfund Transfers In</u>	<u>Interfund Transfers Out</u>
Major Funds:		
Governmental Funds:		
General Fund	\$ 491,010	\$ -
1982 Sales Tax Special Revenue Fund	-	200,000
2% Set Aside Capital Projects Fund	38,305	-
Enterprise Fund:		
Utility Fund	<u>-</u>	<u>329,315</u>
Total	<u>\$ 529,315</u>	<u>\$ 529,315</u>

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

(20) Uncertainties Arising During and After Financial Statement Date

As a result of the spread of the COVID 19 coronavirus, economic uncertainties have arisen which may have and may continue to impact the Town's ongoing operations. The extent and severity of the potential impact on future operations is unknown at this time.

**REQUIRED SUPPLEMENTARY
INFORMATION**

TOWN OF ARNAUDVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Taxes	\$ 104,425	\$ 106,850	\$ 114,226	\$ 7,376
Licenses and permits	75,535	75,535	102,218	26,683
Intergovernmental	57,610	57,737	51,676	(6,061)
Fines and forfeits	21,990	11,100	13,550	2,450
Miscellaneous	26,295	47,117	47,399	282
Total revenues	<u>285,855</u>	<u>298,339</u>	<u>329,069</u>	<u>30,730</u>
Expenditures:				
General government	283,424	298,814	287,763	11,051
Public safety - police	218,181	211,990	194,291	17,699
Streets	19,200	15,530	36,710	(21,180)
Parks and recreation	45,003	25,875	28,844	(2,969)
Capital outlay	50,992	293,827	270,525	23,302
Total expenditures	<u>616,800</u>	<u>846,036</u>	<u>818,133</u>	<u>27,903</u>
Deficiency of revenues over expenditures	<u>(330,945)</u>	<u>(547,697)</u>	<u>(489,064)</u>	<u>58,633</u>
Other financing sources:				
Transfer from 1982 Sales Tax Fund	200,000	200,000	200,000	-
Transfer from Utility Fund	74,285	291,010	291,010	-
Total other financing sources	<u>274,285</u>	<u>491,010</u>	<u>491,010</u>	<u>-</u>
Net change in fund balances	(56,660)	(56,687)	1,946	58,633
Fund balance, beginning	<u>598,967</u>	<u>598,967</u>	<u>598,967</u>	<u>-</u>
Fund balance, ending	<u>\$ 542,307</u>	<u>\$ 542,280</u>	<u>\$ 600,913</u>	<u>\$ 58,633</u>

TOWN OF ARNAUDVILLE, LOUISIANA
1969 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2020

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 296,200	\$ 296,200	\$ 318,049	21,849
On-behalf payments	17,000	8,084	6,584	(1,500)
Miscellaneous - interest and other	-	-	2,620	2,620
Total revenues	<u>313,200</u>	<u>304,284</u>	<u>327,253</u>	<u>22,969</u>
Expenditures:				
General government -				
Bank charges	150	-	-	-
Collection fees	4,500	4,785	2,955	1,830
Professional fees	16,225	20,930	14,763	6,167
Total general government	<u>20,875</u>	<u>25,715</u>	<u>17,718</u>	<u>7,997</u>
Public safety - police -				
Salaries	180,497	170,000	150,859	19,141
Supplemental pay	17,000	8,084	6,584	1,500
Worker's compensation	13,925	11,900	7,806	4,094
Payroll taxes and retirement	55,163	48,345	35,568	12,777
Contract labor	-	7,200	7,200	-
Miscellaneous	250	-	-	-
Total public safety	<u>266,835</u>	<u>245,529</u>	<u>208,017</u>	<u>37,512</u>
Total expenditures	<u>287,710</u>	<u>271,244</u>	<u>225,735</u>	<u>45,509</u>
Net change in fund balance	25,490	33,040	101,518	68,478
Fund balance, beginning	<u>335,701</u>	<u>335,701</u>	<u>335,701</u>	<u>-</u>
Fund balance, ending	<u>\$ 361,191</u>	<u>\$ 368,741</u>	<u>\$ 437,219</u>	<u>\$ 68,478</u>

TOWN OF ARNAUDVILLE, LOUISIANA
1982 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 296,200	\$ 296,200	\$ 318,049	\$ 21,849
Miscellaneous - interest and other	7,035	5,680	5,746	66
Total revenues	<u>303,235</u>	<u>301,880</u>	<u>323,795</u>	<u>21,915</u>
Expenditures:				
General government -				
Collection fees	4,405	4,785	2,955	1,830
Professional fees	11,450	14,775	14,225	550
Total general government	<u>15,855</u>	<u>19,560</u>	<u>17,180</u>	<u>2,380</u>
Streets -				
Utilities - street lighting	20,000	24,000	26,162	(2,162)
Culture and recreation -				
Park utilities	<u>3,895</u>	<u>4,025</u>	<u>4,934</u>	<u>(909)</u>
Total expenditures	<u>39,750</u>	<u>47,585</u>	<u>48,276</u>	<u>(691)</u>
Excess of revenues over expenditures	263,485	254,295	275,519	21,224
Other financing use:				
Transfer to General Fund	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
Net change in fund balance	63,485	54,295	75,519	21,224
Fund balance, beginning	<u>543,319</u>	<u>543,319</u>	<u>543,319</u>	<u>-</u>
Fund balance, ending	<u>\$ 606,804</u>	<u>\$ 597,614</u>	<u>\$ 618,838</u>	<u>\$ 21,224</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Schedule of Employer's Share of Net Pension Liability
For the Year Ended June 30, 2020

Year Ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Municipal Employees' Retirement System:					
2015	\$ 580,186	0.226066%	\$ 276,227	210.0%	73.99%
2016	818,381	0.318877%	364,059	224.8%	66.18%
2017	804,945	0.196390%	350,864	229.4%	62.11%
2018	647,405	0.154755%	281,051	230.4%	62.49%
2019	685,551	0.165565%	302,277	226.8%	63.94%
2020	778,058	0.186198%	344,688	225.7%	64.68%
Municipal Police Employees' Retirement System:					
2015	211,200	0.033759%	102,724	205.6%	75.10%
2016	339,524	0.054271%	115,860	293.0%	70.73%
2017	582,905	0.062191%	171,548	339.8%	66.04%
2018	516,204	0.059127%	174,955	295.0%	70.08%
2019	430,472	0.050919%	150,271	286.5%	71.89%
2020	307,605	0.033871%	105,028	292.9%	71.01%

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

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

TOWN OF ARNAUDVILLE, LOUISIANA

Schedule of Employer Contributions
For the Year Ended June 30, 2020

<u>Year Ended June 30,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractual Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
Municipal Employees' Retirement System:					
2015	\$ 71,902	\$ 71,902	\$ -	\$ 364,059	19.75%
2016	69,296	69,296	-	350,864	19.75%
2017	63,939	63,939	-	281,051	22.75%
2018	104,386	104,386	-	302,277	34.53%
2019	89,619	89,619	-	344,688	26.00%
2020	104,386	104,386	-	376,166	27.75%
Municipal Police Employees' Retirement System:					
2015	36,496	36,496	-	115,860	31.50%
2016	50,607	50,607	-	171,548	29.50%
2017	55,548	55,548	-	174,955	31.75%
2018	46,208	46,208	-	150,271	30.75%
2019	33,872	33,872	-	105,028	32.25%
2020	28,180	28,180	-	86,708	32.50%

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

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Required Supplementary Information
For the Year Ended June 30, 2020

(1) Budget and Budgetary Accounting

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

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

(2) Pension Plans

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

OTHER SUPPLEMENTARY INFORMATION

TOWN OF ARNAUDVILLE, LOUISIANA

Statement of Net Position

June 30, 2020

With Comparative Totals for June 30, 2019

	6/30/2020			2019 Totals
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Current assets:				
Cash and interest-bearing demand deposits	\$ 1,182,222	\$ 748,102	\$ 1,930,324	\$ 1,948,321
Interest-bearing time deposits	510,614	1,027,795	1,538,409	1,523,002
Receivables, net	20,169	123,470	143,639	129,074
Internal balances	169,280	(169,280)	-	-
Due from other governmental units	58,646	-	58,646	64,279
Prepaid items	9,500	11,347	20,847	23,200
Total current assets	<u>1,950,431</u>	<u>1,741,434</u>	<u>3,691,865</u>	<u>3,687,876</u>
Noncurrent assets:				
Restricted assets:				
Cash and interest-bearing demand deposits	20,443	171,360	191,803	188,750
Interest-bearing time deposits	-	44,647	44,647	44,089
Capital assets, net	<u>1,987,881</u>	<u>4,503,103</u>	<u>6,490,984</u>	<u>6,477,388</u>
Total noncurrent assets	<u>2,008,324</u>	<u>4,719,110</u>	<u>6,727,434</u>	<u>6,710,227</u>
Total assets	<u>3,958,755</u>	<u>6,460,544</u>	<u>10,419,299</u>	<u>10,398,103</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>181,285</u>	<u>146,759</u>	<u>328,044</u>	<u>360,842</u>
LIABILITIES				
Current liabilities:				
Accounts, salaries and other payables	90,146	43,862	134,008	133,674
Bonds payable	-	40,000	40,000	39,000
Customers' deposits payable	-	59,230	59,230	58,055
Total current liabilities	<u>90,146</u>	<u>143,092</u>	<u>233,238</u>	<u>230,729</u>
Noncurrent liabilities:				
Net pension liability	649,951	435,712	1,085,663	1,116,023
Bonds payable	-	73,000	73,000	113,000
Total noncurrent liabilities	<u>649,951</u>	<u>508,712</u>	<u>1,158,663</u>	<u>1,229,023</u>
Total liabilities	<u>740,097</u>	<u>651,804</u>	<u>1,391,901</u>	<u>1,459,752</u>
DEFERRED INFLOWS OF RESOURCES	<u>156,294</u>	<u>10,631</u>	<u>166,925</u>	<u>149,302</u>
NET POSITION				
Net investment in capital assets	1,987,881	4,430,103	6,417,984	6,364,388
Restricted for sales tax dedications	1,056,057	-	1,056,057	879,020
Restricted for capital projects/acquisitions	20,443	-	20,443	20,443
Restricted for debt service	-	116,777	116,777	114,229
Unrestricted	<u>179,268</u>	<u>1,397,988</u>	<u>1,577,256</u>	<u>1,771,811</u>
Total net position	<u>\$ 3,243,649</u>	<u>\$ 5,944,868</u>	<u>\$ 9,188,517</u>	<u>\$ 9,149,891</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Balance Sheet
 General and Special Revenue Funds
 June 30, 2020
 With Comparative Amounts for June 30, 2019

	General		1969 Sales Tax Special Revenue		1982 Sales Tax Special Revenue	
	2020	2019	2020	2019	2020	2019
ASSETS						
Cash and interest-bearing demand deposits	\$ 508,860	\$ 599,439	\$ 171,441	\$ 77,450	\$ 483,726	\$ 400,972
Interest-bearing time deposits	-	-	231,610	229,048	120,436	119,235
Receivables:						
Other	18,204	2,116	-	-	-	-
Interest	-	-	976	918	841	701
Due from other governmental units	-	4,846	29,323	26,755	29,323	26,755
Due from other funds	160,984	31,791	18,668	13,624	-	1,756
Prepaid items	9,500	11,411	-	-	-	-
Total assets	<u>\$ 697,548</u>	<u>\$ 649,603</u>	<u>\$ 452,018</u>	<u>\$ 347,795</u>	<u>\$ 634,326</u>	<u>\$ 549,419</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 43,865	\$ 30,139	\$ 6,665	\$ 9,775	\$ 2,733	\$ 490
Contracts payable	3,805	-	-	-	-	-
Retainage payable	18,857	-	-	-	-	-
Due to other funds	30,108	20,497	8,134	2,319	12,755	5,610
Total liabilities	<u>96,635</u>	<u>50,636</u>	<u>14,799</u>	<u>12,094</u>	<u>15,488</u>	<u>6,100</u>
Fund balances -						
Nonspendable (prepaid items)	9,500	11,411	-	-	-	-
Restricted:						
Sales tax dedications	-	-	437,219	335,701	618,838	543,319
Unassigned	591,413	587,556	-	-	-	-
Total fund balances	<u>600,913</u>	<u>598,967</u>	<u>437,219</u>	<u>335,701</u>	<u>618,838</u>	<u>543,319</u>
Total liabilities and fund balances	<u>\$ 697,548</u>	<u>\$ 649,603</u>	<u>\$ 452,018</u>	<u>\$ 347,795</u>	<u>\$ 634,326</u>	<u>\$ 549,419</u>

TOWN OF ARNAUDVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			Variance with Final Budget Positive (Negative)	2019 Actual
	Budget		Actual		
	Original	Final			
Taxes:					
Ad valorem	\$ 44,080	\$ 40,510	\$ 41,326	\$ 816	\$ 43,823
Payment in lieu of taxes	-	5,435	5,443	8	4,664
Franchise - electric, TV, etc.	60,345	60,905	67,457	6,552	58,706
Total taxes	<u>104,425</u>	<u>106,850</u>	<u>114,226</u>	<u>7,376</u>	<u>107,193</u>
Occupational licenses	<u>75,535</u>	<u>75,535</u>	<u>102,218</u>	<u>26,683</u>	<u>104,413</u>
Intergovernmental:					
State of Louisiana -					
Highway maintenance revenue	3,590	3,590	3,590	-	1,795
Beer taxes	4,540	4,380	4,841	461	3,255
Poker machines	28,910	28,910	27,958	(952)	23,839
Other	20,570	20,857	15,287	(5,570)	(0)
Total intergovernmental	<u>57,610</u>	<u>57,737</u>	<u>51,676</u>	<u>(6,061)</u>	<u>28,889</u>
Fines and forfeits	<u>21,990</u>	<u>11,100</u>	<u>13,550</u>	<u>2,450</u>	<u>23,139</u>
Miscellaneous:					
Rent income	7,740	39,280	38,879	(401)	7,438
Recreation department income	18,280	7,517	7,817	300	14,096
Miscellaneous	275	320	703	383	3,644
Total miscellaneous	<u>26,295</u>	<u>47,117</u>	<u>47,399</u>	<u>282</u>	<u>25,178</u>
Total revenues	<u>\$285,855</u>	<u>\$298,339</u>	<u>\$329,069</u>	<u>\$30,730</u>	<u>\$288,812</u>

TOWN OF ARNAUDVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			Variance with Final Budget Positive (Negative)	2019 Actual
	Actual		Actual		
	Original	Final			
Current:					
General government -					
Council salaries	\$ 21,000	\$ 21,000	\$ 21,000	\$ -	\$ 21,000
Mayor's compensation	15,455	15,455	15,455	-	15,455
Clerk and other salaries	68,009	68,009	67,274	735	67,500
Payroll taxes and retirement	21,860	21,860	21,611	249	36,950
Worker's compensation insurance	685	685	363	322	1,362
Insurance	45,150	43,745	39,088	4,657	48,073
Utilities	14,800	14,800	10,549	4,251	12,612
Telephone	10,850	10,080	9,157	923	11,689
Professional fees	37,215	53,015	53,848	(833)	42,435
Computer related fees and software	6,200	1,600	2,360	(760)	9,206
Office supplies	3,900	6,650	5,760	890	5,513
Meetings and conventions	4,005	3,000	2,905	95	5,769
Travel	3,580	3,100	2,295	805	3,460
Dues	4,450	2,600	1,667	933	4,760
Tax roll and assessor's fee	3,200	3,225	3,224	1	3,200
Coffee and cokes	760	760	752	8	733
Coroner/medical	1,200	1,365	2,250	(885)	1,700
Repairs and maintenance	6,500	14,390	15,100	(710)	8,970
Miscellaneous	14,455	13,325	12,979	346	10,162
Postage	150	150	126	24	94
Total general government	<u>283,424</u>	<u>298,814</u>	<u>287,763</u>	<u>11,051</u>	<u>310,643</u>
Public safety - police -					
Salaries - dispatchers	109,865	109,865	103,758	6,107	103,672
Payroll taxes and retirement	28,506	32,335	25,111	7,224	24,197
Worker's compensation insurance	685	685	388	297	599
Insurance	1,050	2,020	2,146	(126)	2,352
Supplies	10,500	4,700	3,835	865	12,748
Prisoners meals and medical	800	800	362	438	616
Uniforms	2,000	2,500	2,287	213	3,237
Auto expenditures	31,550	28,000	28,013	(13)	30,263
Telephone	9,705	9,705	9,747	(42)	9,722
Repairs and maintenance	3,200	7,730	8,317	(587)	6,153
Miscellaneous	17,820	11,150	6,992	4,158	13,474
Training	2,500	2,500	3,335	(835)	2,908
Total public safety - police	<u>218,181</u>	<u>211,990</u>	<u>194,291</u>	<u>17,699</u>	<u>209,941</u>

(continued)

TOWN OF ARNAUDVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			Variance with Final Budget Positive (Negative)	2019 Actual
	Budget		Actual		
	Original	Final			
Streets -					
Supplies	14,200	8,000	7,807	193	13,267
Equipment and street maintenance	5,000	7,530	28,899	(21,369)	18,224
Miscellaneous	-	-	4	(4)	10
Total streets	<u>19,200</u>	<u>15,530</u>	<u>36,710</u>	<u>(21,180)</u>	<u>31,501</u>
Parks and recreation -					
Coach's salary	14,400	14,400	14,314	86	15,000
Payroll taxes	1,195	1,195	1,102	93	1,102
Worker's compensation insurance	980	980	487	493	972
Repairs and maintenance	2,250	2,250	3,744	(1,494)	4,692
Uniforms and supplies	-	2,000	4,885	(2,885)	10,954
Equipment	-	-	-	-	1,872
Insurance	-	-	225	(225)	441
Utilities	-	1,500	1,005	495	-
Miscellaneous	26,178	3,550	3,082	468	5,260
Total parks and recreation	<u>45,003</u>	<u>25,875</u>	<u>28,844</u>	<u>(2,969)</u>	<u>40,293</u>
Capital outlay:					
General government -					
Equipment	5,570	5,570	5,110	460	22,440
Building improvements	15,000	23,000	22,328	672	-
Police -					
Equipment	7,422	-	-	-	13,118
Vehicles	8,000	-	-	-	-
Streets -					
Drainage improvements	-	248,007	225,850	22,157	-
Parks and recreation -					
Equipment	-	-	-	-	1,939
Park improvements	15,000	17,250	17,237	13	10,612
Total capital outlay	<u>50,992</u>	<u>293,827</u>	<u>270,525</u>	<u>23,302</u>	<u>48,109</u>
Total expenditures	<u>\$ 616,800</u>	<u>\$ 846,036</u>	<u>\$ 818,133</u>	<u>\$ 27,903</u>	<u>\$ 640,487</u>

TOWN OF ARNAUDVILLE, LOUISIANA
1969 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020		Actual	Variance with Final Budget Positive (Negative)	2019 Actual
	Budget				
	Original	Final			
Revenues:					
Taxes	\$296,200	\$296,200	\$318,049	\$ 21,849	\$ 290,310
On-behalf payments	17,000	8,084	6,584	(1,500)	15,017
Miscellaneous - interest and other	-	-	2,620	2,620	1,866
Total revenues	<u>313,200</u>	<u>304,284</u>	<u>327,253</u>	<u>22,969</u>	<u>307,193</u>
Expenditures:					
General government -					
Bank charges	150	-	-	-	-
Collection fees	4,500	4,785	2,955	1,830	2,648
Professional fees	16,225	20,930	14,763	6,167	15,591
Total general government	<u>20,875</u>	<u>25,715</u>	<u>17,718</u>	<u>7,997</u>	<u>18,239</u>
Public Safety -					
Police					
Salaries	180,497	170,000	150,859	19,141	175,843
Supplemental pay	17,000	8,084	6,584	1,500	15,017
Worker's compensation	13,925	11,900	7,806	4,094	12,529
Payroll taxes and retirement	55,163	48,345	35,568	12,777	25,022
Contract labor	-	7,200	7,200	-	-
Miscellaneous	250	-	-	-	-
Total public safety	<u>266,835</u>	<u>245,529</u>	<u>208,017</u>	<u>37,512</u>	<u>228,411</u>
Total expenditures	<u>287,710</u>	<u>271,244</u>	<u>225,735</u>	<u>45,509</u>	<u>246,650</u>
Excess of revenues over expenditures	<u>25,490</u>	<u>33,040</u>	<u>101,518</u>	<u>68,478</u>	<u>60,543</u>
Net change in fund balance	25,490	33,040	101,518	68,478	60,543
Fund balance, beginning	<u>335,701</u>	<u>335,701</u>	<u>335,701</u>	-	<u>275,158</u>
Fund balance, ending	<u>\$361,191</u>	<u>\$368,741</u>	<u>\$437,219</u>	<u>\$ 68,478</u>	<u>\$ 335,701</u>

TOWN OF ARNAUDVILLE, LOUISIANA
1982 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			Variance with Final Budget Positive (Negative)	2019 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$ 296,200	\$ 296,200	\$ 318,049	\$ 21,849	\$ 290,310
Miscellaneous - interest and other	7,035	5,680	5,746	66	8,450
Total revenues	<u>303,235</u>	<u>301,880</u>	<u>323,795</u>	<u>21,915</u>	<u>298,760</u>
Expenditures:					
General government -					
Collection fees	4,405	4,785	2,955	1,830	2,648
Professional fees	11,450	14,775	14,225	550	12,438
Total general government	15,855	19,560	17,180	2,380	15,086
Streets	20,000	24,000	26,162	(2,162)	22,307
Culture and recreation	3,895	4,025	4,934	(909)	3,022
Capital outlay	-	-	-	-	64,170
Total expenditures	<u>39,750</u>	<u>47,585</u>	<u>48,276</u>	<u>(691)</u>	<u>104,585</u>
Excess of revenues over expenditures	263,485	254,295	275,519	21,224	194,175
Other financing use:					
Transfer to General Fund	(200,000)	(200,000)	(200,000)	-	(200,000)
Net change in fund balance	63,485	54,295	75,519	21,224	(5,825)
Fund balance, beginning	<u>543,319</u>	<u>543,319</u>	<u>543,319</u>	-	<u>549,144</u>
Fund balance, ending	<u>\$ 606,804</u>	<u>\$ 597,614</u>	<u>\$ 618,838</u>	<u>\$ 21,224</u>	<u>\$ 543,319</u>

TOWN OF ARNAUDVILLE, LOUISIANA
Street Improvement Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020		Actual	Variance with Final Budget Positive (Negative)	2019 Actual
	Budget				
	Original	Final			
Revenues:					
Miscellaneous - interest and other	\$ 100	\$ 100	\$ 116	\$ 16	\$ 116
Expenditures	-	-	-	-	-
Net change in fund balance	100	100	116	16	116
Fund balance, beginning	<u>38,520</u>	<u>38,520</u>	<u>38,520</u>	-	<u>38,404</u>
Fund balance, ending	<u>\$ 38,620</u>	<u>\$38,620</u>	<u>\$38,636</u>	<u>\$ 16</u>	<u>\$38,520</u>

TOWN OF ARNAUDVILLE, LOUISIANA
2% Set Aside Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			Variance with Final Budget Positive (Negative)	2019 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Miscellaneous - interest and other	\$ 90	\$ 90	\$ 1,790	\$ 1,700	\$ 949
Expenditures	-	-	-	-	-
Excess of revenues over expenditures	90	90	1,790	1,700	949
Other financing source:					
Transfer from Utility Fund	<u>38,806</u>	<u>38,465</u>	<u>38,305</u>	<u>(160)</u>	<u>39,392</u>
Net change in fund balance	38,896	38,555	40,095	1,540	40,341
Fund balance, beginning	<u>159,246</u>	<u>159,246</u>	<u>159,246</u>	-	<u>118,905</u>
Fund balance, ending	<u>\$ 198,142</u>	<u>\$ 197,801</u>	<u>\$ 199,341</u>	<u>\$ 1,540</u>	<u>\$ 159,246</u>

TOWN OF ARNAUDVILLE, LOUISIANA
LCDBG Grant Projects Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020			Variance with Final Budget Positive (Negative)	2019
	Budget		Actual		
	Original	Final			
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures	-	-	-	-	-
Net change in fund balance	-	-	-	-	-
Fund balance, beginning	2	2	2	-	2
Fund balance, ending	\$ 2	\$ 2	\$ 2	\$ -	\$ 2

TOWN OF ARNAUDVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
(Unaudited)
June 30, 2020 and 2019

Records maintained by the Town indicated the following number of customers were being serviced during the months of June 30, 2020 and 2019:

<u>Department</u>	<u>2020</u>	<u>2019</u>
Gas (metered)	613	613
Water (metered)	1,246	1,247
Sewer	572	576
Sanitation	26	26

TOWN OF ARNAUDVILLE, LOUISIANA

Schedule of Insurance in Force
(Unaudited)
June 30, 2020

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

TOWN OF ARNAUDVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Departmental Statement of Revenues and Expenses
Years Ended June 30, 2020 and 2019

	Totals		Gas	
	2020	2019	2020	2019
Operating revenues:				
Charges for services -				
Billings to customers	\$ 859,586	\$ 920,021	\$ 282,229	\$ 325,616
Delinquent charges	16,360	18,885	5,556	11,013
Other fees	36,511	20,765	26,429	16,986
Total operating revenues	<u>912,457</u>	<u>959,671</u>	<u>314,214</u>	<u>353,615</u>
Operating expenses:				
Salaries	240,535	223,140	62,056	41,270
Payroll taxes and retirement	64,563	53,923	14,590	5,676
Retirement - GASB 68	34,679	(4,309)	6,998	(289)
Gas purchases	50,926	89,222	50,926	89,222
Supplies, repairs and maintenance	238,061	183,313	53,670	91,342
Professional fees	41,792	34,162	3,833	3,085
Bad debts	2,119	-	706	-
Telephone	6,459	5,744	2,717	2,201
Depreciation	266,757	258,223	19,212	16,058
Insurance	54,938	68,110	21,513	26,079
Utilities	29,650	29,128	1,928	1,730
Fire department expense	3,072	3,072	-	-
Office supplies	10,339	14,536	-	-
Miscellaneous	18,836	24,355	6,111	7,488
Allocation of administrative expense	-	-	60,940	62,187
Total operating expenses	<u>1,062,726</u>	<u>982,619</u>	<u>305,200</u>	<u>346,049</u>
Operating income (loss)	<u>(150,269)</u>	<u>(22,948)</u>	<u>\$ 9,014</u>	<u>\$ 7,566</u>
Nonoperating revenues (expenses):				
Non-employer pension contribution	6,691	5,426		
Interest income	13,884	4,602		
Ad valorem taxes/Housing Authority in lieu of taxes	54,206	55,143		
Gain on sale of capital assets	-	5,886		
Interest expense	(5,214)	(7,863)		
Total nonoperating revenues (expenses)	<u>69,567</u>	<u>63,194</u>		
Income (loss) before contributions and transfers	<u>(80,702)</u>	<u>40,246</u>		
Capital contributions	<u>53,239</u>	<u>38,200</u>		
Transfers out:				
Transfer to General Fund	(291,010)	(74,285)		
Transfer to 2% Set Aside Fund	(38,305)	(39,392)		
Total transfers in (out)	<u>(329,315)</u>	<u>(113,677)</u>		
Change in net position	<u>(356,778)</u>	<u>(35,231)</u>		
Net position, beginning	<u>6,301,646</u>	<u>6,336,877</u>		
Net position, ending	<u>\$ 5,944,868</u>	<u>\$ 6,301,646</u>		

Water		Sewer		Sanitation		Administration	
2020	2019	2020	2019	2020	2019	2020	2019
\$ 380,879	\$ 389,655	\$ 196,065	\$ 204,112	\$ 413	\$ 638	\$ -	\$ -
7,701	7,818	3,103	54	-	-	-	-
9,932	3,779	150	-	-	-	-	-
<u>398,512</u>	<u>401,252</u>	<u>199,318</u>	<u>204,166</u>	<u>413</u>	<u>638</u>	<u>-</u>	<u>-</u>
77,981	79,552	37,813	37,385	-	-	62,685	64,933
21,380	20,795	10,233	9,372	-	-	18,360	18,080
11,795	(1,723)	5,673	(780)	-	-	10,213	(1,517)
-	-	-	-	-	-	-	-
106,568	43,269	77,823	48,702	-	-	-	-
5,023	3,084	3,833	3,085	-	-	29,103	24,908
933	-	480	-	-	-	-	-
-	-	-	-	-	-	3,742	3,543
114,502	113,594	114,501	112,146	-	-	18,542	16,425
12,879	16,501	7,579	9,531	-	-	12,967	15,999
12,224	10,910	5,697	5,734	-	-	9,801	10,754
3,072	3,072	-	-	-	-	-	-
-	-	-	-	-	-	10,339	14,536
3,040	6,387	-	951	8,472	8,422	1,213	1,107
<u>77,289</u>	<u>70,564</u>	<u>38,656</u>	<u>35,905</u>	<u>80</u>	<u>112</u>	<u>(176,965)</u>	<u>(168,768)</u>
<u>446,686</u>	<u>366,005</u>	<u>302,288</u>	<u>262,031</u>	<u>8,552</u>	<u>8,534</u>	<u>-</u>	<u>-</u>
<u>\$ (48,174)</u>	<u>\$ 35,247</u>	<u>\$ (102,970)</u>	<u>\$ (57,865)</u>	<u>\$ (8,139)</u>	<u>\$ (7,896)</u>	<u>\$ -</u>	<u>\$ -</u>

**INTERNAL CONTROL,
COMPLIANCE, AND
OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Arnaudville, Louisiana (Town), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated November 20, 2020.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as item 2020-001(IC) that we consider to be a material weakness.

Compliance and Other Matters

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

Town of Arnaudville, Louisiana's Response to Findings

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

Purpose of this Report

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
November 20, 2020

TOWN OF ARNAUDVILLE, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 2020

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

A. Internal Control Over Financial Reporting

2020-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

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

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

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

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

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

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

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

TOWN OF ARNAUDVILLE, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 2020

Part II: Prior Year Findings

A. Internal Control Over Financial Reporting

2019-001 Inadequate Segregation of Functions

Fiscal year finding initially occurred: Unknown

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

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

Current Status: Unresolved. See item 2020-001

2019-002 Inadequate Internal Controls Over Youth League Activities

Fiscal year finding initially occurred: 2019

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

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

Current Status: Resolved