

TOWN OF DELCAMBRE, LOUISIANA

Financial Report

Year Ended April 30, 2019

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Delcambre (Town), Louisiana, as of and for the year ended April 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's financial statements. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements taken as a whole.

The other supplementary information section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2019, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
October 28, 2019

BASIC FINANCIAL STATEMENTS

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

TOWN OF DELCAMBRE, LOUISIANA

Statement of Net Position
April 30, 2019

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and interest-bearing deposits	\$ 622,865	\$ 600,786	\$ 1,223,651
Receivables, net	42,947	73,916	116,863
Due from other governmental units	-	263,173	263,173
Prepaid expenses	16,772	1,695	18,467
Restricted assets -			
Cash and interest-bearing deposits	-	94,864	94,864
Capital assets -			
Non-depreciable	467,819	3,874,481	4,342,300
Depreciable, net of accumulated depreciation	1,433,646	3,878,550	5,312,196
Total assets	2,584,049	8,787,465	11,371,514
LIABILITIES			
Accounts and other payables	22,726	83,583	106,309
Contracts payable	-	233,310	233,310
Retainage payable	-	97,127	97,127
Note payable	-	1,610,400	1,610,400
Accrued interest payable	96	10,506	10,602
Compensated absences payable	6,494	2,112	8,606
Customers' deposits	-	94,864	94,864
Internal balances	(47,660)	47,660	-
Long-term liabilities -			
Portion due or payable within one year -			
Revenue bonds payable	4,676	-	4,676
Portion due or payable after one year -			
Revenue bonds payable	59,487	-	59,487
Total liabilities	45,819	2,179,562	2,225,381
NET POSITION			
Net investment in capital assets	1,965,628	5,801,688	7,767,316
Restricted for tax dedications	704,756	-	704,756
Unrestricted	(132,154)	806,215	674,061
Total net position	\$ 2,538,230	\$ 6,607,903	\$ 9,146,133

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

TOWN OF DELCAMBRE, LOUISIANA

Statement of Activities
For the Year Ended April 30, 2019

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 157,737	\$ 204,433	\$ -	\$ -	\$ 46,696	\$ -	\$ 46,696
Public safety:							
Police	366,772	46,469	35,750	-	(284,553)	-	(284,553)
Fire	119,437	43,380	4,460	-	(71,597)	-	(71,597)
Public works	310,093	7,299	-	-	(302,794)	-	(302,794)
Total governmental activities	<u>954,039</u>	<u>301,581</u>	<u>40,210</u>	<u>-</u>	<u>(612,248)</u>	<u>-</u>	<u>(612,248)</u>
Business-type activities:							
Gas	257,904	165,742	-	-	-	(92,162)	(92,162)
Water	243,190	255,069	-	559,817	-	571,696	571,696
Sewer	280,903	222,342	-	-	-	(58,561)	(58,561)
Administrative	11,936	16,056	-	-	-	4,120	4,120
Interest and fiscal charges	47,551	-	-	-	-	(47,551)	(47,551)
Total business-type activities	<u>841,484</u>	<u>659,209</u>	<u>-</u>	<u>559,817</u>	<u>-</u>	<u>377,542</u>	<u>377,542</u>
Total	<u>\$ 1,795,523</u>	<u>\$ 960,790</u>	<u>\$ 40,210</u>	<u>\$ 559,817</u>	<u>(612,248)</u>	<u>377,542</u>	<u>(234,706)</u>
General revenues:							
Taxes -							
Property taxes, levied for general purposes					44,985	-	44,985
Sales and use taxes, levied for general purposes					252,601	-	252,601
Other taxes					36,434	-	36,434
Interest income					6,663	9,474	16,137
Miscellaneous					154,507	14,593	169,100
Loss on sale of capital assets					(5,517)	-	(5,517)
Transfers					40,000	(40,000)	-
Total general revenues and transfers					<u>529,673</u>	<u>(15,933)</u>	<u>513,740</u>
Change in net position					(82,575)	361,609	279,034
Net position - beginning					<u>2,620,805</u>	<u>6,246,294</u>	<u>8,867,099</u>
Net position - ending					<u>\$ 2,538,230</u>	<u>\$ 6,607,903</u>	<u>\$ 9,146,133</u>

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

FUND FINANCIAL STATEMENTS (FFS)

TOWN OF DELCAMBRE, LOUISIANA

Balance Sheet
Governmental Funds
April 30, 2019

	<u>General</u>	<u>Sales Tax</u>	<u>Special</u>	<u>Other Governmental Funds</u>	<u>Total</u>
ASSETS					
Cash	\$ 69,758	\$ 63,211	\$ 20,709	\$ 35,519	\$ 189,197
Interest-bearing deposits	-	330,506	103,162	-	433,668
Receivables:					
Ad valorem tax	1,587	-	-	-	1,587
Sales tax	-	41,017	-	-	41,017
Other	343	-	-	-	343
Due from other funds	34,877	88,766	106,919	-	230,562
Prepaid expenses	16,167	393	212	-	16,772
Total assets	<u>\$ 122,732</u>	<u>\$ 523,893</u>	<u>\$ 231,002</u>	<u>\$ 35,519</u>	<u>\$ 913,146</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 7,800	\$ 5,183	\$ -	\$ -	\$ 12,983
Accrued expenses	3,658	4,422	1,663	-	9,743
Due to other funds	109,117	72,622	663	500	182,902
Total liabilities	<u>120,575</u>	<u>82,227</u>	<u>2,326</u>	<u>500</u>	<u>205,628</u>
Fund balances:					
Nonspendable	16,167	393	212	-	16,772
Restricted	-	441,273	228,464	35,019	704,756
Unassigned	(14,010)	-	-	-	(14,010)
Total fund balances	<u>2,157</u>	<u>441,666</u>	<u>228,676</u>	<u>35,019</u>	<u>707,518</u>
Total liabilities and fund balances	<u>\$ 122,732</u>	<u>\$ 523,893</u>	<u>\$ 231,002</u>	<u>\$ 35,519</u>	<u>\$ 913,146</u>

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

TOWN OF DELCAMBRE, LOUISIANA

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

Total fund balances for governmental funds	\$ 707,518
Capital assets, net	1,901,465
Long-term liabilities:	
Debt payable	(64,163)
Compensated absences	(6,494)
Accrued interest on debt	<u>(96)</u>
Net position of governmental activities	<u>\$ 2,538,230</u>

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

TOWN OF DELCAMBRE, LOUISIANA

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

	General	Sales Tax	Special	Other Governmental Funds	Total
Revenues:					
Taxes	\$ 44,985	\$ 252,601	\$ 36,434	\$ -	\$ 334,020
Licenses and permits	79,658	-	-	-	79,658
Intergovernmental	-	7,299	47,840	-	55,139
Charges for services	124,775	-	-	-	124,775
Fines and forfeiture	46,469	-	-	-	46,469
Interest	211	4,564	1,876	12	6,663
Other	176,492	9,720	4,045	-	190,257
Total revenues	<u>472,590</u>	<u>274,184</u>	<u>90,195</u>	<u>12</u>	<u>836,981</u>
Expenditures:					
Current -					
General government	110,828	28,919	-	-	139,747
Public safety	354,092	-	65,494	-	419,586
Public works	62,394	200,068	-	-	262,462
Capital outlays	-	15,000	11,885	-	26,885
Debt service:					
Principal	4,502	-	-	-	4,502
Interest	2,824	-	-	-	2,824
Total expenditures	<u>534,640</u>	<u>243,987</u>	<u>77,379</u>	<u>-</u>	<u>856,006</u>
(Deficiency) excess of revenues over expenditures	(62,050)	30,197	12,816	12	(19,025)
Other financing (sources) uses:					
Transfers in	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,000</u>
Net change in fund balances	(22,050)	30,197	12,816	12	20,975
Fund balances, beginning	<u>24,207</u>	<u>411,469</u>	<u>215,860</u>	<u>35,007</u>	<u>686,543</u>
Fund balances, ending	<u>\$ 2,157</u>	<u>\$ 441,666</u>	<u>\$ 228,676</u>	<u>\$ 35,019</u>	<u>\$ 707,518</u>

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

TOWN OF DELCAMBRE, LOUISIANA

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

Net change in fund balances of governmental funds		\$ 20,975
Capital assets:		
Capital outlay	\$ 26,885	
Loss on sale of capital assets	(5,517)	
Depreciation expense	<u>(130,048)</u>	(108,680)
Principal payments on long term debt		4,502
Accrued interest		2
Accrued compensated absences		<u>626</u>
Change in net position of governmental activities		<u>\$ (82,575)</u>

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

TOWN OF DELCAMBRE, LOUISIANA

Proprietary Fund
Statement of Net Position
April 30, 2019

ASSETS

Current assets:	
Cash and interest bearing deposits	\$ 600,786
Accounts receivable, net of allowance	73,916
Due from other funds	73,122
Prepaid expenses	1,695
Due from other governmental units	<u>263,173</u>
Total current assets	<u>1,012,692</u>
Noncurrent assets:	
Restricted assets -	
Cash	55,854
Interest-bearing deposits	39,010
Capital assets -	
Non-depreciable	3,874,481
Depreciable, net of accumulated depreciation	<u>3,878,550</u>
Total noncurrent assets	<u>7,847,895</u>
Total assets	<u>8,860,587</u>

LIABILITIES

Current liabilities:	
Accounts payable	43,187
Compensated absences payable	2,112
Other payables	40,396
Notes payable	1,610,400
Accrued interest payable	10,506
Contract payable	233,310
Retainage payable	97,127
Due to other funds	<u>120,782</u>
Total current liabilities	<u>2,157,820</u>
Noncurrent liabilities:	
Customers' deposits	<u>94,864</u>
Total liabilities	<u>2,252,684</u>

NET POSITION

Net investment in capital assets	5,801,688
Unrestricted	<u>806,215</u>
Total net position	<u>\$ 6,607,903</u>

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

TOWN OF DECAMBRE, LOUISIANA

Proprietary Fund
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended April 30, 2019

Operating revenues:	
Charges for services	\$ 638,778
Miscellaneous	<u>20,431</u>
Total operating revenues	<u>659,209</u>
Operating expenses:	
Administrative expenses	11,936
Gas department expenses	209,722
Water department expenses	151,158
Sewerage department expenses	175,008
Depreciation	<u>246,109</u>
Total operating expenses	<u>793,933</u>
Operating loss	<u>(134,724)</u>
Nonoperating revenues (expenses):	
Interest income	9,474
Other	14,593
Interest expense	<u>(47,551)</u>
Total nonoperating revenues	<u>(23,484)</u>
Loss before capital contributions	(158,208)
Capital contributions	559,817
Transfers out	<u>(40,000)</u>
Change in net position	361,609
Net position, beginning	<u>6,246,294</u>
Net position, ending	<u>\$6,607,903</u>

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

TOWN OF DELCAMBRE, LOUISIANA

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

Cash flows from operating activities:	
Receipts from customers	\$ 605,082
Payments to suppliers	(388,379)
Payments to employees	(114,136)
Other receipts	<u>20,431</u>
Net cash provided by operating activities	<u>122,998</u>
Cash flows from noncapital financing activities:	
Payable from other funds	(28,319)
Other income	14,593
Transfers to other funds	<u>(40,000)</u>
Net cash used by noncapital financing activities	<u>(53,726)</u>
Cash flows from capital and related financing activities:	
Net meter deposits	540
Principle forgiven on short-term debt	(402,600)
Proceeds from bond anticipation notes	2,013,000
Interest paid on short term debt	(37,045)
Acquisition of property, plant and equipment	(1,899,862)
Grants and other contributions received	<u>297,499</u>
Net cash used by capital and related financing activities	<u>(28,468)</u>
Cash flows from investing activities:	
Proceeds of investments and interest-bearing deposits with maturity in excess of ninety days	245,000
Purchase of investments and interest-bearing deposits with maturity in excess of ninety days	(249,010)
Interest on investments	<u>9,474</u>
Net cash provided by investing activities	<u>5,464</u>
Net change in cash and cash equivalents	46,268
Cash and cash equivalents, beginning of period	<u>400,372</u>
Cash and cash equivalents, end of period	<u>\$ 446,640</u>

(continued)

TOWN OF DELCAMBRE, LOUISIANA

Statement of Cash Flows (continued)
 Proprietary Fund
 Year Ended April 30, 2019

Cash flows from operating activities:	
Operating loss	\$ (134,724)
Adjustments to reconcile operating income to net cash provided by operating activities -	
Depreciation	246,109
(Increase) decrease in operating assets:	
Accounts receivable	(33,696)
Increase (decrease) in operating liabilities:	
Accounts payable	10,744
Other payables	34,565
Net cash provided by operating activities	<u>\$ 122,998</u>
Cash and cash equivalents, beginning of period -	<u>\$ 400,372</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:	
Cash and cash equivalents, end of period -	
Cash and interest-bearing deposits - unrestricted	600,786
Cash and interest-bearing deposits - restricted	55,854
Interest-bearing deposits - restricted	39,010
Less: Interest-bearing deposits with a maturity in excess of 90 days	<u>(249,010)</u>
Total cash and cash equivalents	<u>446,640</u>
Net change	<u>\$ 46,268</u>

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

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

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

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

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

Notes to Basic Financial Statements

Fund Financial Statements

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

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

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

The major funds of the Town are described below:

Governmental Funds -

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

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

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

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

Proprietary Funds -

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

Utility Fund

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

C. Measurement Focus/Basis of Accounting

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

Measurement Focus

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

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

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

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

Basis of Accounting

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

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

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

Program revenues

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

Allocation of indirect expenses

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

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

Cash and interest-bearing deposits

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

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

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

Investments

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

Interfund receivables and payables

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

Receivables

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

Uncollectible ad valorem taxes or utility service receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. The Town has estimated that trade accounts receivable that have been unpaid for more than 90 days are uncollectible, and this amount has been established as the allowance for uncollectibles, based upon prior experience. The allowance for uncollectibles for customers’ utility receivables was \$35,111.

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

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

Prepaid Items

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

Capital Assets

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

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

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

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

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

Compensated Absences

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

Vacation is earned by full-time employees based upon length of service ranging from 5 days to 20 days. One week of vacation time may be carried over

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

from one anniversary year to the next. All accumulated sick leave shall be forfeited upon termination of employment.

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

Restricted Assets

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

Long-term debt

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

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

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

Deferred Outflows of Resources and Deferred Inflows of Resources

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

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

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

Equity Classifications

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

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

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

Fund balances of the governmental funds are classified as follows:

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

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

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

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

Unassigned – all other spendable amounts

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

Fund balances are composed of the following:

	General Fund	Sales Tax Fund	Special Fund	Nonmajor Fund	Total Governmental Funds
Nonspendable:					
Prepaid items	\$ 16,167	\$ 393	\$ 212	\$ -	\$ 16,772
Restricted:					
Fire protection	-	-	228,464	-	228,464
Public works and building operations and maintenance	-	441,273	-	-	441,273
Youth recreation	-	-	-	30,475	30,475
Other	-	-	-	4,544	4,544
Unassigned:	(14,010)	-	-	-	(14,010)
Total fund balances	<u>\$ 2,157</u>	<u>\$ 441,666</u>	<u>\$ 228,676</u>	<u>\$ 35,019</u>	<u>\$ 707,518</u>

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

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

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

Expenditures/Expenses

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

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

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

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

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

Interfund Transfers

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

F. Revenue Restrictions

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

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

G. Use of Estimates

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

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

(2) Cash and Interest-Bearing Deposits

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

These deposits are stated at cost, which approximates market. 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. The Town does not have a policy for custodial credit risk; however, under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the pledging financial institution. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the financial institution. These securities are held in the name of the pledging financial institution in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) are secured as follows:

Bank balances	<u>\$ 1,231,786</u>
The Town's deposits are secured as follows:	
Federal deposit insurance	855,201
Uninsured and collateral held by the pledging bank, not in the Town's name	<u>376,585</u>
Total	<u>\$ 1,231,786</u>

(3) Aged Accounts Receivable

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

Current	\$ 73,650
Over 30 days	61
Over 60 days	205
Over 90 days	<u>35,111</u>
Total	<u>\$ 109,027</u>

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

Restricted assets consisted of customer deposits of \$94,864.

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

(5) Capital Assets

Capital asset activity was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 467,819	\$ -	\$ -	\$ 467,819
Other capital assets:				
Buildings	572,176	-	-	572,176
Improvements other than buildings	1,830,113	-	8,250	1,821,863
Autos and trucks	836,580	-	-	836,580
Other equipment	420,760	26,885	10,782	436,863
Totals	<u>4,127,448</u>	<u>26,885</u>	<u>19,032</u>	<u>4,135,301</u>
Less accumulated depreciation				
Buildings	350,047	16,511	-	366,558
Improvements other than buildings	720,807	53,207	6,099	767,915
Autos and trucks	644,217	53,099	-	697,316
Other equipment	402,232	7,231	7,416	402,047
Total accumulated depreciation	<u>2,117,303</u>	<u>130,048</u>	<u>13,515</u>	<u>2,233,836</u>
Governmental activities, capital assets, net	<u>\$ 2,010,145</u>	<u>\$ (103,163)</u>	<u>\$ 5,517</u>	<u>\$ 1,901,465</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 1,644,182	\$ -	\$ -	\$ 1,644,182
Construction in progress	-	2,230,299	-	2,230,299
Other capital assets:				
Gas system	1,945,692	-	-	1,945,692
Water system	3,316,344	-	-	3,316,344
Sewer system	3,292,907	-	-	3,292,907
Other equipment	145,253	-	870	144,383
Totals	<u>10,344,378</u>	<u>2,230,299</u>	<u>870</u>	<u>12,573,807</u>
Less accumulated depreciation				
Gas system	1,083,188	47,890	-	1,131,078
Water system	1,746,360	91,739	-	1,838,099
Sewer system	1,604,928	104,995	-	1,709,923
Other equipment	140,206	1,485	15	141,676
Total accumulated depreciation	<u>4,574,682</u>	<u>246,109</u>	<u>15</u>	<u>4,820,776</u>
Business-type activities, capital assets, net	<u>\$ 5,769,696</u>	<u>\$ 1,984,190</u>	<u>\$ 855</u>	<u>\$ 7,753,031</u>

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

Depreciation expense was charged to governmental activities as follows:

General government	\$ 15,591
Public safety	66,623
Public works	<u>47,834</u>
Total depreciation expense	<u>\$130,048</u>

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

Gas	\$ 47,890
Water	91,739
Sewer	104,995
Other equipment	<u>1,485</u>
Total depreciation expense	<u>\$ 246,109</u>

(6) On-behalf Payments

The Town has recognized \$35,750 as a revenue and an expenditure for on-behalf salary payments made by the State of Louisiana.

(7) Changes in Long-Term Debt

Long term liabilities at April 30, 2019 are comprised of the following individual issues:

Governmental activities –

Notes payable:

Notes payable to USDA Rural Development, dated May 18, 2005, original amount of \$110,000, bearing interest of 4.25%, maturing on May 18, 2030. \$ 64,163

Business-type activities –

Bond anticipation notes payable:

Bond anticipation notes payable to Louisiana Department of Health, dated October 5, 2018, original amount of \$2,013,000, bearing interest of 1.95%, maturing on May 31, 2019. \$ 1,610,400

In October 2018, the Town issued short term bond anticipation notes in the amount of \$2,013,00 at an interest rate of 1.95%. The Town used these funds as interim financing of a construction project to improve the Town’s water system. In May of 2019, The Town repaid these notes plus accrued interest with the proceeds received from the issuance of Water Revenue Bonds, Series 2020, dated May 16, 2019.

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

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

Year Ending April 30,	Governmental Activities		Business-type Activities		Total
	Principal payments	Interest payments	Principal payments	Interest payments	
2020	4,676	2,650	1,610,400	10,506	1,628,232
2021	4,879	2,448	-	-	7,327
2022	5,090	2,236	-	-	7,326
2023	5,311	2,016	-	-	7,327
2024	5,540	1,785	-	-	7,325
2025 - 2029	31,521	5,109	-	-	36,630
2030 - 2031	7,146	180	-	-	7,326
Totals	<u>\$ 64,163</u>	<u>\$ 16,424</u>	<u>\$ 1,610,400</u>	<u>\$ 10,506</u>	<u>\$ 1,701,493</u>

The following is a summary of changes in long-term debt of the Town:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Notes payable - USDA Rural Development Series 2005	<u>\$ 68,665</u>	<u>\$ -</u>	<u>\$ 4,502</u>	<u>\$ 64,163</u>	<u>\$ 4,676</u>
Business-type activities:					
Bond anticipation notes Series 2018	<u>\$ -</u>	<u>\$ 2,013,000</u>	<u>\$ 402,600</u>	<u>\$ 1,610,400</u>	<u>\$ 1,610,400</u>

(8) Commitments and Contingencies

Litigation

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

Penalties on unpaid taxes

The Town is subject to penalties and interest on unpaid payroll taxes and unfiled payroll returns. The final amount of the penalties is not known at this time.

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

(9) Compensation of Town Officials

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

Aldermen:

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

(10) Compensation, Benefits and Other Payments to Mayor

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

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 3,300
Reimbursements	329
Other - cell phone	<u>550</u>
Total	<u>\$ 4,179</u>

(11) Risk Management

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

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

(12) Interfund Transactions

A. A summary of interfund receivables and payables follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental funds:		
General Fund	\$ 34,877	\$ 109,117
State Revenue Sharing Fund	-	500
Sales Tax Special Revenue Fund	88,766	72,622
Special Fund	<u>106,919</u>	<u>663</u>
Total governmental funds	230,562	182,902
Proprietary fund:		
Enterprise Fund	<u>73,122</u>	<u>120,782</u>
Total	<u>\$ 303,684</u>	<u>\$ 303,684</u>

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

B. Transfers consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental funds:		
General Fund	<u>\$ 40,000</u>	<u>\$ -</u>
Proprietary fund:		
Enterprise Fund	<u>\$ -</u>	<u>\$ 40,000</u>

**REQUIRED
SUPPLEMENTARY INFORMATION**

TOWN OF DELCAMBRE, LOUISIANA
General Fund

Budgetary Comparison Schedule
Year Ended April 30, 2019

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 42,800	\$ 41,200	\$ 44,985	\$ 3,785
Licenses and permits	68,600	62,700	79,658	16,958
Intergovernmental	8,300	-	-	-
Charges for services	113,900	126,200	124,775	(1,425)
Fines and forfeitures	44,800	51,600	46,469	(5,131)
Interest	-	-	211	211
Other	164,000	159,100	176,492	17,392
Total revenues	<u>442,400</u>	<u>440,800</u>	<u>472,590</u>	<u>31,790</u>
Expenditures:				
Current -				
General government	149,200	131,400	110,828	20,572
Public safety	274,100	274,800	354,092	(79,292)
Public works	-	101,700	62,394	39,306
Capital outlays	-	1,700	-	1,700
Debt service:				
Principal	-	5,600	4,502	1,098
Interest	-	3,000	2,824	176
Total expenditures	<u>423,300</u>	<u>518,200</u>	<u>534,640</u>	<u>(16,440)</u>
Excess (deficiency) of revenues over expenditures	19,100	(77,400)	(62,050)	15,350
Other financing sources:				
Transfers in	-	40,000	40,000	-
Net change in fund balance	19,100	(37,400)	(22,050)	15,350
Fund balance, beginning	<u>24,207</u>	<u>24,207</u>	<u>24,207</u>	<u>-</u>
Fund balance, ending	<u>\$ 43,307</u>	<u>\$ (13,193)</u>	<u>\$ 2,157</u>	<u>\$ 15,350</u>

TOWN OF DELCAMBRE, LOUISIANA
Sales Tax Fund

Budgetary Comparison Schedule
Year Ended April 30, 2019

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 284,300	\$ 242,100	\$ 252,601	\$ 10,501
Intergovernmental	16,500	7,000	7,299	299
Interest	1,100	-	4,564	4,564
Other	1,600	1,400	9,720	8,320
Total revenues	<u>303,500</u>	<u>250,500</u>	<u>274,184</u>	<u>23,684</u>
Expenditures:				
Current -				
General government	76,900	81,000	28,919	52,081
Public works	211,700	174,500	200,068	(25,568)
Capital outlay	4,500	900	15,000	(14,100)
Total expenditures	<u>293,100</u>	<u>256,400</u>	<u>243,987</u>	<u>12,413</u>
Excess (deficiency) of revenues over expenditures	10,400	(5,900)	30,197	36,097
Fund balance, beginning	<u>411,469</u>	<u>411,469</u>	<u>411,469</u>	<u>-</u>
Fund balance, ending	<u>\$ 421,869</u>	<u>\$ 405,569</u>	<u>\$ 441,666</u>	<u>\$ 36,097</u>

TOWN OF DELCAMBRE, LOUISIANA
Special Fund

Budgetary Comparison Schedule
Year Ended April 30, 2019

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 28,000	\$ 37,400	\$ 36,434	\$ (966)
Intergovernmental	43,500	42,500	47,840	5,340
Interest	200	-	1,876	1,876
Other	-	5,700	4,045	(1,655)
Total revenue	<u>71,700</u>	<u>85,600</u>	<u>90,195</u>	<u>4,595</u>
Expenditures:				
Current -				
Public safety	78,385	76,700	65,494	11,206
Capital outlay	<u>-</u>	<u>900</u>	<u>11,885</u>	<u>(10,985)</u>
Total expenditures	<u>78,385</u>	<u>77,600</u>	<u>77,379</u>	<u>221</u>
(Deficiency) excess of revenues over expenditures	(6,685)	8,000	12,816	4,816
Fund balance, beginning	<u>215,860</u>	<u>215,860</u>	<u>215,860</u>	<u>-</u>
Fund balance, ending	<u>\$ 209,175</u>	<u>\$ 223,860</u>	<u>\$ 228,676</u>	<u>\$ 4,816</u>

TOWN OF DELCAMBRE, LOUISIANA

Notes to Budgetary Comparison Schedules

(1) Budgets and Budgetary Accounting

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

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

OTHER SUPPLEMENTARY INFORMATION

OTHER FINANCIAL INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR SPECIAL REVENUE FUND

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

State Revenue Sharing Fund -

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

Delcambre Youth Fund

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

TOWN OF DELCAMBRE, LOUISIANA
Nonmajor Special Revenue Fund

Combining Balance Sheet
April 30, 2019

	<u>State Revenue Sharing Fund</u>	<u>Delcambre Youth Fund</u>	<u>Total</u>
ASSETS			
Cash	<u>\$ 5,044</u>	<u>\$ 30,475</u>	<u>\$ 35,519</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Due to other funds	\$ 500	\$ -	\$ 500
Fund balance:			
Restricted	<u>4,544</u>	<u>30,475</u>	<u>35,019</u>
Total liabilities and fund balance	<u>\$ 5,044</u>	<u>\$ 30,475</u>	<u>\$ 35,519</u>

TOWN OF DELCAMBRE, LOUISIANA
Nonmajor Special Revenue Fund

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
Year Ended April 30, 2019

	State Revenue Sharing Fund	Delcambre Youth Fund	<u>Total</u>
Revenues			
Interest	\$ 12	\$ -	\$ 12
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>12</u>	<u>-</u>	<u>12</u>
Fund balance, beginning	<u>4,532</u>	<u>30,475</u>	<u>35,007</u>
Fund balance, ending	<u>\$ 4,544</u>	<u>\$ 30,475</u>	<u>\$ 35,019</u>

TOWN OF DELCAMBRE, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers and Rates

April 30, 2019 and 2018

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

<u>Department</u>	<u>2019</u>	<u>2018</u>
Gas (metered)	333	334
Water	851	837
Sewerage	793	777

The monthly water rates of the Town are as follows:

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

The monthly sewer rates of the Town are as follows:

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

TOWN OF DELCAMBRE, LOUISIANA

Proprietary Fund
Comparative Statement of Net Position
April 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Current assets:		
Cash and interest bearing deposits	\$ 600,786	\$ 551,048
Accounts receivable, net of allowance	73,916	40,220
Due from other funds	73,122	60,978
Prepaid expenses	1,695	1,695
Due from other governmental agencies	263,173	-
Total current assets	<u>1,012,692</u>	<u>653,941</u>
Noncurrent assets:		
Restricted assets -		
Cash	55,854	59,324
Interest-bearing deposits	39,010	35,000
Capital assets -		
Non-depreciable	3,874,481	1,644,182
Depreciable, net of accumulated depreciation	<u>3,878,550</u>	<u>4,125,514</u>
Total noncurrent assets	<u>7,847,895</u>	<u>5,864,020</u>
Total assets	<u>8,860,587</u>	<u>6,517,961</u>
LIABILITIES		
Current liabilities:		
Accounts payable	43,187	32,443
Compensated absences payable	2,112	2,112
Other payables	40,396	5,831
Note payable	1,610,400	-
Accrued interest payable	10,506	-
Contract payable	233,310	-
Retainage payable	97,127	-
Due to other funds	120,782	136,957
Total current liabilities	<u>2,157,820</u>	<u>177,343</u>
Noncurrent liabilities:		
Customers' deposits	94,864	94,324
Total liabilities	<u>2,252,684</u>	<u>271,667</u>
NET POSITION		
Net investment in capital assets	5,801,688	5,769,696
Unrestricted	806,215	476,598
Total net position	<u>\$ 6,607,903</u>	<u>\$ 6,246,294</u>

TOWN OF DELCAMBRE, LOUISIANA
Proprietary Fund
Utility Fund

Comparative Departmental Analysis of Operating Revenues and Expenses
Years Ended April 30, 2019 and 2018

	Administrative		Gas		Water		Sewer		Totals	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Operating revenues:										
Charges for services	\$ -	\$ -	\$ 164,442	\$ 149,699	\$ 251,994	\$ 248,409	\$ 222,342	\$ 217,522	\$ 638,778	\$ 615,630
Other revenues	16,056	16,223	1,300	1,315	3,075	4,575	-	-	20,431	22,113
Total operating revenues	<u>16,056</u>	<u>16,223</u>	<u>165,742</u>	<u>151,014</u>	<u>255,069</u>	<u>252,984</u>	<u>222,342</u>	<u>217,522</u>	<u>659,209</u>	<u>637,743</u>
Operating expenses:										
Salaries - plant	-	-	60,714	40,301	26,711	38,325	26,711	33,523	114,136	112,149
Fuel purchased	-	-	34,974	34,495	-	-	-	-	34,974	34,495
Insurance	-	7,711	37,997	5,690	9,936	5,691	5,565	5,691	53,498	24,783
Insurance - employees	976	52,852	12,345	2,890	13,607	3,210	8,658	3,364	35,586	62,316
Materials and supplies	-	-	10,339	13,822	20,832	16,702	7,498	37,347	38,669	67,871
Depreciation	-	-	48,182	47,890	92,032	91,693	105,895	107,871	246,109	247,454
Repairs and maintenance	-	-	10,205	1,285	20,944	50,711	21,996	39,985	53,145	91,981
Professional fees	6,540	1,110	7,958	2,380	10,624	12,635	7,432	8,062	32,554	24,187
Utilities	-	-	-	-	19,765	36,369	31,226	28,036	50,991	64,405
Payroll taxes	-	-	6,345	3,317	3,806	3,160	3,806	2,777	13,957	9,254
Bad debt expense	13	2,268	-	12,331	-	12,331	-	12,331	13	39,261
Miscellaneous	4,407	7,886	28,845	15,447	24,933	13,607	62,116	3,361	120,301	40,301
Total operating expenses	<u>11,936</u>	<u>71,827</u>	<u>257,904</u>	<u>179,848</u>	<u>243,190</u>	<u>284,434</u>	<u>280,903</u>	<u>282,348</u>	<u>793,933</u>	<u>818,457</u>
Net operating income/(loss)	\$ 4,120	\$ (55,604)	\$ (92,162)	\$ (28,834)	\$ 11,879	\$ (31,450)	\$ (58,561)	\$ (64,826)	\$ (134,724)	\$ (180,714)

TOWN OF DELCAMBRE, LOUISIANA

Schedule of Insurance in Force

Year Ended April 30, 2019

Insurer	Assets Covered	Risks Covered	Limits of Coverage (in Dollars)	Expiration Date
Louisiana Municipal Risk Management Association	Automobiles	Bodily injury, Property damage	500,000	6/7/2020
	Police operations	General liability	500,000	6/7/2020
	Errors and omissions	General liability	500,000	6/7/2020
	General liability	Bodily injury, Property damage	500,000	6/7/2020
Wright National Flood	Town Hall:			
	Building	Flood damage	250,000	5/9/2019
	Contents	Flood damage	100,000	5/9/2019
	Police Department:			
Building	Flood damage	250,000	5/9/2019	
Contents	Flood damage	100,000	5/9/2019	
Special Risk Insurance, Inc.	Fire department automobiles	General liability	1,000,000	5/1/2019
CNA Insurance	Mayor	Dishonesty Bond	10,000	9/21/2019
	Other officials	Dishonesty Bond	5,000	9/21/2019
	Police Clerk	Dishonesty Bond	10,000	9/21/2019
	Bookkeeper	Dishonesty Bond	10,000	12/1/2019
	Tax Collector	Dishonesty Bond	10,000	9/21/2019
	City Clerk	Dishonesty Bond	10,000	12/1/2019

**INTERNAL CONTROL, COMPLIANCE
AND
OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Delcambre (Town), as of and for the year ended April 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated October 28, 2019.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the 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. However, as described in the accompanying schedule of current and prior year audit findings and management's corrective action plan, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as item 2019-003 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as items 2019-001 and 2019-002 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as item 2019-003.

Town of Delcambre's Response to Findings

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

Purpose of this Report

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
October 28, 2019

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited the Town of Delcambre's (the Town) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended April 30, 2019. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended April 30, 2019.

Report on Internal Control Over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
October 28, 2019

TOWN OF DELCAMBRE, LOUISIANA

Schedule of Expenditures of Federal Awards
For the Year Ended April 30, 2019

Federal Grantor/Pass-Through Grantor/Program Name	CFDA Number	State Pass-Through Entity Identifying Number	Expenditures
United States Department of Agriculture - Water and Waste Disposal Systems for Rural Communities Loan and Grant Program			
Grant amount	10.760	N/A	\$ 154,711
Loan amount	10.760	N/A	<u>1,610,400</u>
Total			<u>\$ 1,765,111</u>

TOWN OF DELCAMBRE, LOUISIANA

Notes to Schedule of Expenditures of Federal Awards
Year Ended April 30, 2019

(1) General

The accompanying Schedule of Expenditures of Federal Awards presents the federal grant activity of the Town of Delcambre (Town). The Town reporting entity is defined in Note 1 to the basic financial statements for the year ended April 30, 2019. All federal financial assistance received directly from federal agencies is included on the schedule as well as federal financial assistance passed through other government agencies.

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is present using the modified accrued basis of accounting, which is described in Note 1 to the Town's financial statements for the year ended April 30, 2019.

(3) Indirect Cost Rate

The Town has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

(4) Debt Outstanding

The Town has the following loans outstanding as of April 30, 2019:

<u>CFDA Number</u>	<u>Program Name</u>	<u>Outstanding Balance</u>
10.760	Water and Waste Disposal Systems for Rural Communities Loan and Grant Program	\$ 1,610,400
10.766	Community Facilities Grant Program	<u>64,163</u>
	Total	<u>\$ 1,674,563</u>

TOWN OF DELCAMBRE, LOUISIANA

Schedule of Findings and Questioned Costs
Year Ended April 30, 2019

Part I. Summary of Auditor's Results:

1. An unmodified report was issued on the basic financial statements.
2. Two significant deficiencies and one material weakness in internal control were disclosed by the audit of the basic financial statements.
3. There was one instance of noncompliance.
4. No significant deficiencies or material weaknesses in internal control over the major programs were disclosed by the audit of the basic financial statements.
5. An unmodified opinion was issued on compliance for the major programs.
6. The audit disclosed no findings required to be reported in accordance with 2 CFR section 200.516(a) of the Uniform Guidance.
7. The following programs were considered to be major programs:
U.S. Department of Agriculture – Water and Waste Disposal Systems for Rural Communities Grant, CFDA 10.760.
8. The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
9. The auditee did not qualify as a low-risk auditee.

TOWN OF DELCAMBRE, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)
Year Ended April 30, 2019

Part II. Findings which are required to be reported in accordance with generally accepted Governmental Auditing Standards:

A. Internal Control Findings –

See internal control finding 2019-001 through 2019-003 on the schedule of current and prior year findings and management's corrective action plan.

B. Compliance Findings –

See internal control finding 2019-003 on the schedule of current and prior year findings and management's corrective action plan.

Part III. Findings and questioned costs for Major Federal awards which in accordance with 2 CFR section 200 of the Uniform Guidance:

There are no findings and questioned costs related to federal programs that are required to be reported under the above guidance.

TOWN OF DELCAMBRE, LOUISIANA

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

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

A. Internal Control Over Financial Reporting

2019-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

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

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

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

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

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

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

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

2019-002 Utility Fund Operations

Fiscal year finding initially occurred: 2011

CONDITION: The Town's Utility Fund incurred an operating loss of \$134,724 during the current year.

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

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

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

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

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

2019-003 Delinquent Filing/Payment of Payroll Withholdings

Fiscal year finding initially occurred: 2019

CONDITION: The Town of Delcambre is delinquent in filing and remitting payroll taxes to the appropriate agencies.

CRITERIA: Federal and State laws require employers to file payroll tax reports and remit payroll taxes to the appropriate agencies within prescribed deadlines.

CAUSE: The Town failed to file and remit payment related to the payroll liabilities and reports for several periods.

EFFECT: The Town may not be in compliance with Federal and State laws and could be subject to penalties and interest charges on the unremitted amounts.

RECOMMENDATION: The Town should develop policies and procedures and monitor its reporting requirements and ensure proper laws are being followed.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Town is aware of matters regarding late filings and/or remittances of various payroll related taxes. The Town worked with its CPA to develop procedures and is currently timely with all payroll filings as of the date of the independent auditor's report.

B. Compliance

See finding 2019-003.

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

2018-001 Inadequate Segregation of Accounting Functions

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

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

CURRENT STATUS: Unresolved. See item 2019-001.

2018-002 Utility Fund Operations

Fiscal year finding initially occurred: 2011

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

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

CURRENT STATUS: Unresolved. See item 2019-002.

B. Compliance

2018-003 Budget Noncompliance

Fiscal year finding initially occurred: 2017

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

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

CURRENT STATUS: Resolved.

2018-004 Late Report Issuance

Fiscal year finding initially occurred: 2018

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

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

CURRENT STATUS: Resolved.

TOWN OF DELCAMBRE

Shrimp Capital of the World



107 N. RAILROAD

DELCAMBRE, LA 70528

PHONE: 337-685-4462 FAX: 337-685-4466

Town of Delcambre respectfully submits the following corrective action plan for the year ended April 30, 2019.

Audit conducted by:

Kolder, Slaven & Company, LLC
200 South Main Street
Abbeville, LA 70510

Audit Period: Fiscal year ended April 30, 2019

The findings from the April 30, 2019 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS-FINANCIAL AUDIT

Significant Deficiencies

2019-001 Inadequate Segregation of Accounting Functions

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

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

2019-002 Utility Fund Operations

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



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

Material Weakness/Compliance

2019-003 Delinquent Filing/Payment of Payroll Withholdings

RECOMMENDATION: The Town should develop policies and procedures and monitor its reporting requirements and ensure proper laws are being followed.

CORRECTIVE ACTION PLAN: The Town is aware of matters regarding late filings and/or remittances of various payroll related taxes. The Town worked with its CPA to develop procedures and is currently timely with all payroll filings as of the date of the independent auditor's report.

If there are questions regarding the plan, please call Shirley Wyles, Clerk, at 337-685-4462.

Sincerely,

Shirley Wyles, Clerk

TOWN OF DELCAMBRE

Shrimp Capital of the World



107 N. RAILROAD

DELCAMBRE, LA 70528

PHONE: 337-685-4462 FAX: 337-685-4466

Town of Delcambre respectfully submits the following schedule of prior audit findings for the year ended April 30, 2019.

Audit conducted by:

Kolder, Slaven & Company, LLC
200 South Main Street
Abbeville, LA 70510

Significant Deficiencies

2018-001 Inadequate Segregation of Accounting Functions

Fiscal Year Finding Initially Occurred: Unknown

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

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

CURRENT STATUS: Unresolved.

2018-002 Utility Fund Operations

Fiscal Year Finding Initially Occurred: April 30, 2011

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



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

CURRENT STATUS: Unresolved.

Compliance

2018-003 Budget Noncompliance

Fiscal Year Finding Initially Occurred: April 30, 2017

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

CURRENT STATUS: Resolved.

2018-004 Late Report Issuance

Fiscal Year Finding Initially Occurred: April 30, 2018

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

CURRENT STATUS: Resolved.

TOWN OF DELCAMBRE, LOUISIANA

Statewide Agreed-Upon Procedures

Fiscal period May 1, 2018 through April 30, 2019

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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

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

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

The procedures and associated findings are as follows:

Written Policies and Procedures

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

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Board or Finance Committee

- 2. We obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) We observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, we observed that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

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

Bank Reconciliations

- 3. We obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. We asked management to identify the entity's main operating account. We selected the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). We randomly selected one month from the fiscal period, we obtained and inspected the corresponding bank statement and reconciliation for selected each account, and observed that:
 - a) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations included evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Collections

- 4. We obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly selected 5 deposit sites (or all deposit sites if less than 5).
- 5. For each deposit site selected, we obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), we obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and we observed that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

6. We inquired of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. We randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits are made on the same day). Alternately, we used a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. We obtained supporting documentation for each of the 10 deposits and:
 - a) Observed that receipts are sequentially pre-numbered.
 - b) Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Traced the deposit slip total to the actual deposit per the bank statement.
 - d) Observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Traced the actual deposit per the bank statement to the general ledger.

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

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

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

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

- 11. We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. We obtained management's representation that the listing is complete.
- 12. Using the listing prepared by management, we randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. We randomly selected one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtained supporting documentation, and:
 - a) Observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.
 - b) Observed that finance charges and late fees were not assessed on the selected statements.
- 13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, we randomly selected 10 transactions (or all transactions if less than 10) from each statement, and we obtained supporting documentation for the transactions. For each transaction, we observed that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

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

- 14. We obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. We randomly selected 5 reimbursements, obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, agreed the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observed that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observed that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

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

Payroll and Personnel

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

Ethics

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

Debt Service

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

Other

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

Findings:

In accordance with the Statewide Agreed-Upon Procedures, certain categories may be excluded from testing. Therefore, the following categories were not tested this year: Debt Service and Other

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

Written Policies and Procedures

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

Written policies for receiving, recording, preparing deposits, and management’s actions to determine the completeness of all collections for each revenue or agency fund pertaining to receipts need to be modified.

The Town does not have written policies and procedures addressing payroll processing. Written policies for leave and overtime worked need to be modified.

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

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

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

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

The Town does not have written policies and procedures addressing disaster recovery/business continuity.

Board or Finance Committee:

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

The minutes did not make reference to monthly budget to actual comparisons for the General Fund, and any additional special revenue funds identified as major funds in the Town's prior audit. Additionally, the minutes did not make reference to monthly financial statements for major proprietary funds.

Bank Reconciliations:

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

5 of the 5 bank reconciliations did not have documentation reflecting that a member of management or board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation.

Cash Collections

The employee/official responsible for collecting cash is also responsible for preparing/depositing cash in the bank and for reconciling cash collections to the general ledger or subsidiary ledger.

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

The Town was assessed finance charges on 1 of the 5 cards tested.

Payroll and Personnel

The Town did not submit payroll taxes by required deadlines and did not timely file payroll tax forms.

Ethics

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

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

Management's Response:

Management of the Town agrees with the exceptions noted and have taken steps to implement changes to enhance their procedures and to implement mitigating controls on those identified areas to limit these exceptions in the future.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
October 28, 2019