

Financial Report

Town of Golden Meadow
Louisiana

December 31, 2019

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Town of Golden Meadow Louisiana

December 31, 2019

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Honorable Joey Bouziga, Mayor
and Members of the Town Council,
Town of Golden Meadow,
Golden Meadow, Louisiana.

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Town of Golden Meadow, State of Louisiana (the "Town") as of and for the year ended December 31, 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town'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 on the previous page present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Town of Golden Meadow, Louisiana, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison of the General Fund 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 Management's Discussion and Analysis, on pages 4 through 13, the Schedule of Changes in the Town's Total OPEB Liability and Related Ratios, the Schedule of the Town's Proportionate Share of the Net Pension Liability and Schedule of the Town's Contributions on pages 70 through 74, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The Schedule of Compensation Paid to Members of the Town Council, Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer and Statistical Information Section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, on page 91 is presented for purposes of additional analysis as required by the *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, and is also not a required part of the basic financial statements.

The Schedule of Compensation Paid to Members of the Town Council on page 75, the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer on page 76, and the Schedule of Expenditures of Federal Awards on page 92 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Statistical 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 May 12, 2020 on our consideration of the Town of Golden Meadow, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



Certified Public Accountants.

Houma, Louisiana,
May 12, 2020.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Town of Golden Meadow Louisiana

December 31, 2019

The Mayor and the Town Clerk are responsible for the overview and analysis of the financial activities of the Town of Golden Meadow (the "Town") for the year ended December 31, 2019. The narrative provided is designed to introduce the financial highlights and offer an overview of the financial statements.

Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and facts known to date. This narrative includes a government-wide financial analysis of revenues, expenses and changes in the net position. Further detail offers our readers a financial analysis of the Town's funds consisting of the governmental fund types and proprietary funds.

FINANCIAL HIGHLIGHTS

Assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$18,071,587 (net position). Of this amount, \$3,551,943 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.

The Town's net position increased by \$921,840 (or 5.38%) during 2019, primarily a result of decreases operating expenses.

The Town's governmental activities revenues increased \$167,386 (or 7.42%) primarily due to increases in capital grants and sales tax.

The Town's governmental activities expenses decreased \$65,403 (or 3.03%) primarily due to decreases in public safety expenses, drainage and levee.

The business activities reported a change in net position of \$647,214. The 2018 final abandonment of the gas distribution system reduced 2019 business activity expenses by \$220,640. Current year sewerage activity expenses were \$90,931 less than 2018 expenses.

The Town did not have any funds with a deficit fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's annual report consists of seven parts: (1) management's discussion and analysis (this section), (2) basic financial statements, (3) required and other supplementary information, (4) statistical information, (5) various governmental compliance reports and schedules by certified public accountants and management, (6) a statistical section, and (7) a separate engagement for statewide agreed upon procedures.

The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements

The government-wide financial statements reported in Exhibits A and B are designed to be similar to private-sector business in that all governmental and business-type activities are consolidated into columns which add to a total for the primary government. These statements, combine governmental funds' current financial resources with capital assets and long-term obligations. Also presented in the government-wide financial statements is a total column for the business-type activities of the primary government.

The Statement of Net Position reported in Exhibit A presents information on all the Town's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The Statement of Activities reported in Exhibit B presents information showing how the government's net position changed during the most recent fiscal year. All changes in the assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses reported in this statement for some items will only result in cash flows in future fiscal periods. For example, earned but unused compensation time result in cash flows for future periods. The focus of the Statement of Activities is on both the gross and net cost of various activities, which are provided by the government's general tax and other revenues. This is intended to summarize information and simplify the user's analysis of cost of various governmental services and/or subsidy to various business-type activities.

Both government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities which reflect the Town's basic services include the financial activities of the following: general government (Town administration) public safety (police department), streets and highways (street, road and sidewalk maintenance), drainage and levee (drainage and levee maintenance), culture and recreation (parks/playgrounds and pool) and sanitation (animal control, grass cutting, building demolition and trash collection). The business-type activities of the Town include a sewerage collection and treatment system.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Traditional users of governmental financial statements will find the fund financial statement presentation more familiar. The focus is now on major funds, rather than generic fund types. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The governmental major fund presentation in Exhibits C through G is presented on a sources and uses of liquid resources basis. This is the manner in which the financial budget is typically developed. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's current financing requirements. The Town has presented the General Fund and Capital Projects Fund as major governmental funds.

Proprietary Funds include enterprise funds on the fund financial statements illustrated in Exhibits H through J. Enterprise funds are used to account for operations financed and operated in a manner similar to private business enterprises. The enterprise fund is presented as a major fund and consists of the Sewerage Fund. The intent is that costs of goods or services to the general public on a continuing basis be financed primarily through user charges.

While the Sewerage Fund on the business-type fund financial statements for the enterprise fund (see Exhibit H and I) is generally the same as the business-type column at the government-wide financial statements, the governmental funds total column requires a reconciliation because of the different measurement focus which is reflected on the page following each statement (see Exhibit D and F). The flow of current financial resources will reflect capital expenditures and interfund transfers as other financial sources and debt service principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations into the governmental activities column in the government-wide statements.

Capital Assets

General capital assets include land, construction in progress, buildings and improvements, infrastructure, vehicles, machinery and equipment and all other tangible assets that are used in operations and that have initial useful lives greater than one year and exceed the Town's capitalization threshold (see Note 1d, Exhibit K). The Town has recorded all material infrastructure assets acquired since 1984. Accumulated depreciation is recorded based on the date of acquisition and the life span of the asset.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are a required part of the financial statements and can be found in Exhibit K of this report.

Other Information

In addition to the basic financial statements and notes to financial statements, this report also presents required supplementary information concerning the Town's changes to its obligations and its progress in funding its obligations to provide postemployment and pension benefits to its employees. Required supplementary information can be found on Exhibits L, M, N, O and P of this report.

Schedules of Compensation Paid to Members of the Town Council and Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer can be found in Statements 1 and 2 of this report. The Statistical Section (Tables 1 through 8) are included for additional information and analysis and do not constitute a part of the audited financial statements.

Government-Wide Financial Analysis**Condensed Statements of Net Position**

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Assets:						
Current and other assets	\$ 5,856,062	\$ 5,579,179	\$ (5,299)	\$ 119,422	\$ 5,850,763	\$ 5,698,601
Capital assets	8,770,135	8,638,988	5,436,430	4,765,680	14,206,565	13,404,668
Total assets	14,626,197	14,218,167	5,431,131	4,885,102	20,057,328	19,103,269
Deferred outflows of resources	351,880	353,576	24,741	25,981	376,621	379,557
Total assets and deferred outflows of resources	14,978,077	14,571,743	5,455,872	4,911,083	20,433,949	19,482,826
Liabilities:						
Current liabilities	166,932	67,880	60,249	161,802	227,181	229,682
Long-term obligations	1,695,874	1,715,635	110,453	115,826	1,806,327	1,831,461
Total liabilities	1,862,806	1,783,515	170,702	277,628	2,033,508	2,061,143
Deferred inflows of resources	318,718	266,301	10,136	5,635	328,854	271,936
Total liabilities and deferred inflows of resources	2,181,524	2,049,816	180,838	283,263	2,362,362	2,333,079
Net Position:						
Net investment in capital assets	8,770,135	8,638,988	5,436,430	4,765,680	14,206,565	13,404,668
Restricted	313,079	185,189	-	-	313,079	185,189
Unrestricted	3,713,339	3,697,750	(161,396)	(137,860)	3,551,943	3,559,890
Total net position	\$12,796,553	\$12,521,927	\$5,275,034	\$4,627,820	\$18,071,587	\$17,149,747

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

For more detailed information see Exhibit A, Statement of Net Position.

Approximately 78.61% of the Town's net position as of December 31, 2019, reflects the government's net investment in capital assets less any related outstanding debt used to acquire those assets that is still outstanding. The Town government uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Approximately 1.73% of the Town's net position is subject to external restrictions as to its use.

The remaining unrestricted net position of 19.66% is available for future use as directed by the Mayor and the Town Council to meet ongoing obligations of the government to citizens and creditors.

The following table provides a summary of the statement of activities for the year ended December 31, 2019, with comparative figures from 2018:

Condensed Statements of Activities

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenues:						
Charges for service	\$ 814,164	\$ 1,065,571	\$ 106,679	\$ 99,265	\$ 920,843	\$ 1,164,836
Operating grants and contributions	73,488	82,848	-	-	73,488	82,848
Capital grants and contributions	360,459	35,256	694,341	1,606,122	1,054,800	1,641,378
General Revenues:						
Property taxes	189,896	191,935	-	-	189,896	191,935
Sales taxes	810,173	721,134	-	-	810,173	721,134
Franchise taxes	70,492	66,047	-	-	70,492	66,047
Grants and contributions not restricted to specific programs	14,228	17,063	-	-	14,228	17,063
Other	90,546	76,206	17	2,580	90,563	78,786
Total revenues	<u>2,423,446</u>	<u>2,256,060</u>	<u>801,037</u>	<u>1,707,967</u>	<u>3,224,483</u>	<u>3,964,027</u>

(Continued)

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Expenses:						
General government	482,986	482,582	-	-	482,986	482,582
Public safety	782,330	816,471	-	-	782,330	816,471
Streets and highways	298,993	318,362	-	-	298,993	318,362
Drainage and levee	269,783	298,335	-	-	269,783	298,335
Culture and recreation	242,232	223,698	-	-	242,232	223,698
Sanitation	17,457	19,170	-	-	17,457	19,170
Interest on long-term obligations	604	1,170	-	-	604	1,170
Gas distribution	-	-	-	220,640	-	220,640
Sewerage	-	-	208,258	299,189	208,258	299,189
Total expenses	<u>2,094,385</u>	<u>2,159,788</u>	<u>208,258</u>	<u>519,829</u>	<u>2,302,643</u>	<u>2,679,617</u>
Increase in net position before transfers	329,061	96,272	592,779	1,188,138	921,840	1,284,410
Transfers	(54,435)	(218,632)	54,435	218,632	-	-
Change in net position	<u>274,626</u>	<u>(122,360)</u>	<u>647,214</u>	<u>1,406,770</u>	<u>921,840</u>	<u>1,284,410</u>
Net position, January 1, as previously stated	12,521,927	12,938,419	4,627,820	3,224,090	17,149,747	16,162,509
Implementation of GASB No. 75	-	(294,132)	-	(3,040)	-	(297,172)
Net position, January 1, as restated	<u>12,521,927</u>	<u>12,644,287</u>	<u>4,627,820</u>	<u>3,221,050</u>	<u>17,149,747</u>	<u>15,865,337</u>
Net position, December 31,	<u>\$12,796,553</u>	<u>\$12,521,927</u>	<u>\$5,275,034</u>	<u>\$4,627,820</u>	<u>\$18,071,587</u>	<u>\$17,149,747</u>

The Town's change in net position was \$921,840 for the current fiscal year for a total net position of \$18,071,587 as of December 31, 2019.

Governmental activity charges for services revenues decreased \$251,407 from the prior year primarily because of increases in capital grants for the Seawall, Sidewalk and Waterline projects. Additionally, sales tax revenues were up 12.35% or \$89,039 as the economy within the Town increased with the opening of additional stores and shopping outlets in the Town.

Governmental activity expenses decreased by \$65,403 from the prior year. While the decrease in expenses was spread across several operating activities, public safety activity expenses decreased \$34,141 and drainage and levee expenses decreased \$28,552.

Business-type activity charges for services revenues increased \$7,414. In addition, the Town recognized \$911,781 less of capital grant revenue for funding of the sewerage system in 2019 as compared to 2018. Business activity expenses decreased \$311,571, \$220,640 in gas distribution because of the 2018 abandonment and \$90,931 in the sewerage system.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Financial Analysis of the Government's Funds

The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of the Town's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town's financing requirement. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The combined fund balances of the Town's governmental funds as of December 31, 2019 were \$5,469,649 as compared to \$5,287,937 as of December 31, 2018, an increase of \$181,712. The fund balance in the amount of \$610,816 is restricted for various departments in the General Fund. The remaining \$4,858,833 of fund balance is available for spending at the Town's discretion.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, fund balance of the General Fund was \$5,348,404, compared with a fund balance of \$5,243,456 at the end of 2018, the fund balance increased by \$104,948.

Proprietary Funds: The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Sewerage Fund of the Town had an unrestricted net position deficit of \$161,396 as of December 31, 2019. This fund encompasses all assets associated with sewerage operations of the Town. This fund is self-supported from program revenues. Net investment in capital assets at the end of the current fiscal year totaled \$5,436,430.

For the year ended December 31, 2019, the Sewerage Fund had operating losses of \$101,579. The Sewerage Fund's loss is primarily due to depreciation, salaries, repairs and utility expenses.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

General Fund Budgetary Highlights

The major difference between the original General Fund budgeted revenues and the final amended budgeted was reductions in revenues funds from fines and forfeitures. The final budget more closely reflects anticipated revenues from these sources.

The major difference between the original General Fund budgeted expenditures and the final amended budgeted expenditures was the reduction of capital expenditures from \$272,212 to \$169,546. Drainage and levee expenditures were decreased by \$47,329, while Streets and Highway expenses were cut by \$33,746.

Capital Asset and Debt Administration

Capital Assets: the Town's net investment in capital assets for its governmental and business-type activities as of December 31, 2019, amounts to \$14,206,565 (net of accumulated depreciation). This net investment in capital assets includes land, construction in progress, buildings and improvements, furnishings and equipment, streets and roads, drainage systems, park, swimming pool, and sewer system facilities. The net increase in the Town's net investment in capital assets (net of depreciation) for the current fiscal year was \$801,897.

Major capital asset events during the current fiscal year included the following:

- Continued work on Sewer System Phase IV Project.
- Continued work on Sewer System Phase V Project.
- Started engineering and design work on Sewer System Phase VI.
- Completed the Seawall and Sidewalk Projects.
- Substantial progress made on the Doucet St. Waterline Project.
- Assets purchases included a backhoe to be shared equally by the Drainage Department and Oakridge Park, along with various cameras and office equipment.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Capital Assets
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 100,528	\$ 100,528	\$ -	\$ -	\$ 100,528	\$ 100,528
Construction in progress	80,158	3,453	2,187,685	2,454,615	2,267,843	2,458,068
Buildings and improvements	1,898,823	1,962,340	354,139	365,749	2,252,962	2,328,089
Seawall	4,507,793	4,274,811	-	-	4,507,793	4,274,811
Swimming pool	207,138	226,786	-	-	207,138	226,786
Autos and trucks	52,016	85,762	-	-	52,016	85,762
Sidewalks, streets and drainage	1,047,112	1,073,475	-	-	1,047,112	1,073,475
Oakridge Park	737,090	748,629	-	-	737,090	748,629
Furniture, equipment and other	139,477	163,204	30,299	35,916	169,776	199,120
Sewer system	-	-	2,864,307	1,909,400	2,864,307	1,909,400
Totals	<u>\$8,770,135</u>	<u>\$8,638,988</u>	<u>\$5,436,430</u>	<u>\$4,765,680</u>	<u>\$14,206,565</u>	<u>\$13,404,668</u>

Additional information on the Town's capital assets can be found in Note 8, Exhibit K of this report.

Non-current liabilities: At the end of the current fiscal year, the Town had total outstanding non-current liabilities of \$1,818,544 which represents capital leases, compensated absences, other postemployment benefit obligations and net pension liability. The leases, compensated absences other postemployment benefit obligations and net pension liability will be serviced by general revenues of the Town, except those recognized in the enterprise funds, which will be serviced by fund revenues.

Economic Factors and Next Year's Budget and Rates

Overall, the Town is anticipating General Fund revenues to exceed expenditures in 2020 by approximately \$211,000, including a slight increase in capital expenditures, which will include the following:

- \$40,000 for the purchase of a forklift with an extended boom.
- One 2020 Chevy Tahoe with equipment for \$40,000.
- \$13,283 for a Kubota mower.
- \$35,000 to be expended on sidewalk construction.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Requests for Information

This financial report is designed to provide a general overview of the Town of Golden Meadow's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Town Clerk, P. O. Box 307, Golden Meadow, LA 70357. General information relating to the Town can be found at the Town's website, www.townofgoldenmeadow-la.gov.

FINANCIAL STATEMENTS

STATEMENT OF NET POSITION

Town of Golden Meadow
Louisiana

December 31, 2019

	Primary Government		Totals
	Governmental Activities	Business-type Activities	
ASSETS			
Cash and cash equivalents	\$ 4,402,840	\$ 19,788	\$ 4,422,628
Investments	540,000	-	540,000
Receivables (net)	171,995	10,914	182,909
Due from other governments	260,262	404,490	664,752
Internal balances	440,491	(440,491)	-
Prepaid insurance	40,474	-	40,474
Capital assets:			
Non-depreciable	180,686	2,187,685	2,368,371
Depreciable, net	8,589,449	3,248,745	11,838,194
Total assets	14,626,197	5,431,131	20,057,328
DEFERRED OUTFLOWS OF RESOURCES			
Other post employment benefits	103,399	10,029	113,428
Pensions	248,481	14,712	263,193
Total deferred outflows of resources	351,880	24,741	376,621
Total assets and deferred outflows of resources	14,978,077	5,455,872	20,433,949
LIABILITIES			
Accounts payable and other current liabilities	78,960	2,220	81,180
Contracts payable	75,755	58,029	133,784
Non-current liabilities:			
Due within one year	12,217	-	12,217
Due in more than one year	1,695,874	110,453	1,806,327
Total liabilities	1,862,806	170,702	2,033,508
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - ad valorem taxes	191,224	-	191,224
Other post employment benefits	20,280	2,272	22,552
Pensions	107,214	7,864	115,078
Total deferred inflows of resources	318,718	10,136	328,854
Total liabilities and deferred inflows of resources	2,181,524	180,838	2,362,362
NET POSITION (DEFICIT)			
Net investment in capital assets	8,770,135	5,436,430	14,206,565
Restricted for:			
Streets and highways	191,834	-	191,834
Capital projects	121,245	-	121,245
Unrestricted	3,713,339	(161,396)	3,551,943
Total net position	\$ 12,796,553	\$ 5,275,034	\$ 18,071,587

See notes to financial statements.

STATEMENT OF ACTIVITIES

Town of Golden Meadow
Louisiana

For the year ended December 31, 2019

	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government	\$ 482,986	\$145,342	\$ 6,819	\$ 175,577
Public safety	782,330	648,265	27,000	-
Streets and highways	298,993	-	36,769	-
Drainage and levee	269,783	-	2,900	184,882
Culture and recreation	242,232	20,557	-	-
Sanitation	17,457	-	-	-
Interest on long-term obligations	604	-	-	-
	2,094,385	814,164	73,488	360,459
Business-type activities:				
Sewerage	208,258	106,679	-	694,341
	208,258	106,679	-	694,341
Total primary government	\$ 2,302,643	\$920,843	\$73,488	\$ 1,054,800
General revenues:				
Taxes:				
Property				
Sales taxes				
Franchise taxes				
Grants and contributions not restricted to specific programs				
Unrestricted investment earnings				
Miscellaneous				
Transfers (to) from other funds				
Total general revenues and transfers				
Change in net position				
Net position				
Beginning of year				
Ending of year				

See notes to financial statements.

Net (Expense) Revenue and Changes in Net Assets

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
\$ (155,248)	\$ -	\$ (155,248)
(107,065)	-	(107,065)
(262,224)	-	(262,224)
(82,001)	-	(82,001)
(221,675)	-	(221,675)
(17,457)	-	(17,457)
(604)	-	(604)
<u>(846,274)</u>	<u>-</u>	<u>(846,274)</u>
-	592,762	592,762
<u>(846,274)</u>	<u>592,762</u>	<u>(253,512)</u>
189,896	-	189,896
810,173	-	810,173
70,492	-	70,492
14,228	-	14,228
68,091	17	68,108
22,455	-	22,455
(54,435)	54,435	-
<u>1,120,900</u>	<u>54,452</u>	<u>1,175,352</u>
274,626	647,214	921,840
<u>12,521,927</u>	<u>4,627,820</u>	<u>17,149,747</u>
<u>\$ 12,796,553</u>	<u>\$ 5,275,034</u>	<u>\$ 18,071,587</u>

BALANCE SHEET
GOVERNMENTAL FUNDS

Town of Golden Meadow
Louisiana

December 31, 2019

	General Fund	Capital Projects Fund	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 4,402,560	\$ 280	\$ 4,402,840
Investments	540,000	-	540,000
Receivables (net, where applicable of allowances for uncollectibles):			
Taxes	153,438	-	153,438
Accounts	18,557	-	18,557
Due from other funds	440,541	-	440,541
Due from other governmental units	139,247	121,015	260,262
Total assets	\$ 5,694,343	\$ 121,295	\$ 5,815,638
Liabilities			
Accounts payable and accrued expenditures	\$ 78,960	\$ -	\$ 78,960
Contracts payable	75,755	-	75,755
Due to other funds	-	50	50
Total liabilities	154,715	50	154,765
Deferred Inflows of Resources			
Unavailable revenue - ad valorem taxes	191,224	-	191,224
Total liabilities and deferred inflows of resources	345,939	50	345,989
Fund Balances			
Restricted:			
Levee maintenance	147,294	-	147,294
Drainage maintenance	87,581	-	87,581
Streets	254,696	-	254,696
Capital Projects	-	121,245	121,245
Unassigned	4,858,833	-	4,858,833
Total fund balances	5,348,404	121,245	5,469,649
Total liabilities and fund balances	\$ 5,694,343	\$ 121,295	\$ 5,815,638

See notes to financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION**

**Town of Golden Meadow
Louisiana**

December 31, 2019

Fund Balances - Governmental Funds		\$ 5,469,649
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds		
Governmental capital assets	\$ 14,315,292	
Accumulated depreciation	<u>(5,545,157)</u>	8,770,135
Other assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds		
Prepaid insurance		40,474
Deferred outflows of resources are not available to current expenditures and, therefore not reported in governmental funds		
Other postemployment benefits	103,399	
Pensions	<u>248,481</u>	351,880
Non-current obligations are not due and payable in the current period and therefore are not reported in the funds		
Compensated absences	(2,718)	
Other postemployment benefits	(504,030)	
Capitalized lease obligations	(12,217)	
Net pension liability	<u>(1,189,126)</u>	(1,708,091)
Deferred inflows of resources are not recognized in the current period and, therefore not reported in governmental funds		
Other postemployment benefits	(20,280)	
Pensions	<u>(107,214)</u>	<u>(127,494)</u>
Net Position of Governmental Activities		<u><u>\$ 12,796,553</u></u>

See notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

**Town of Golden Meadow
Louisiana**

For the year ended December 31, 2019

	General Fund	Capital Projects Fund	Total Governmental Funds
Revenues			
Taxes	\$ 1,000,069	\$ -	\$ 1,000,069
Fines and forfeitures	660,531	-	660,531
Intergovernmental	250,115	184,882	434,997
Licenses and permits	99,689	-	99,689
Franchise fees	70,492	-	70,492
Charges for services	53,944	-	53,944
Investment income	74,932	-	74,932
Miscellaneous	28,793	-	28,793
	2,238,565	184,882	2,423,447
Expenditures			
Current:			
General government	423,684	-	423,684
Public safety	701,513	-	701,513
Streets and highways	236,131	-	236,131
Sanitation	14,389	-	14,389
Drainage and levee	115,973	-	115,973
Culture and recreation	155,822	-	155,822
Debt service:			
Principal retirement	24,008	-	24,008
Interest and fiscal charges	604	-	604
Capital outlay	188,605	326,571	515,176
	1,860,729	326,571	2,187,300
Excess of revenues over (under) expenditures	377,836	(141,689)	236,147
Other Financing Sources (Uses)			
Operating transfers in	-	218,453	218,453
Operating transfers out	(272,888)	-	(272,888)
	(272,888)	218,453	(54,435)
Net Change in Fund Balances	104,948	76,764	181,712
Fund Balances			
Beginning of year	5,243,456	44,481	5,287,937
End of year	\$ 5,348,404	\$ 121,245	\$ 5,469,649

See notes to financial statements.

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

**Town of Golden Meadow
Louisiana**

For the year ended December 31, 2019

Net Change in Fund Balance - Total Governmental Funds		\$181,712
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	\$515,176	
Depreciation expense	<u>(384,029)</u>	131,147
Some expenditures are reported in the governmental funds which do not effect net position		
Increase in prepaid insurance		8,660
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net assets.		
Principal payments on capital leases	24,008	
Increase in the liability for other postemployment benefits	(109,541)	
Decrease in net pension liability	88,175	
Decrease in the liability for compensated absences	<u>4,902</u>	7,544
Deferred outflows and inflows of resources related to other postemployment benefits and pensions are applicable to future periods and, therefore are not reported in the funds,		
Increase in deferred outflows of resouces related to other postemployment benefits	93,733	
Decrease in deferred outflows of resouces related to pensions	(95,429)	
Decrease in deferred inflows of resouces related to other postemployment benefits	1,352	
Increase in deferred inflows of resouces related to pensions	<u>(54,093)</u>	<u>(54,437)</u>
Change in Net Position of Governmental Activities		<u><u>\$274,626</u></u>

See notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE BUDGET AND ACTUAL - GENERAL FUND**

**Town of Golden Meadow
Louisiana**

For the year ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes:				
Ad valorem	\$ 191,549	\$ 200,320	\$ 189,896	\$ (10,424)
Sales	675,000	739,930	810,173	70,243
Fines and forfeitures	842,010	665,945	660,531	(5,414)
Intergovernmental:				
Federal Government:				
Federal Emergency Management Agency	-	77,122	77,122	-
State of Louisiana:				
Video poker	6,000	5,350	4,803	(547)
Beer taxes	2,400	2,266	2,496	230
Appropriations from State	66,800	51,300	53,417	2,117
State supplemental pay	30,000	27,000	27,000	-
Parish Transportation Fund	21,000	22,777	22,308	(469)
Maintenance Agreement	7,000	7,000	10,500	3,500
Lafourche Parish Council:				
Off track betting	1,000	609	612	3
Council grants	100,000	-	-	-
Lafourche Housing Authority	8,000	6,818	6,819	1
Lafourche Parish Drainage District No. 1	10,000	-	-	-
Lafourche Parish Waterworks	-	-	45,038	45,038
Licenses and permits - occupational licenses	125,000	99,421	99,689	268
Franchise fees	65,900	69,477	70,492	1,015
Charges for services	66,201	58,253	53,944	(4,309)
Investment income	52,450	77,547	74,932	(2,615)
Miscellaneous:				
Donations	1,750	2,020	2,020	-
Mineral royalties	8,350	6,558	6,317	(241)
Other	11,000	23,280	20,456	(2,824)
Total revenues	2,291,410	2,142,993	2,238,565	95,572

**Exhibit G
(Continued)**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Current:				
General government	382,299	426,949	423,684	3,265
Public safety	683,451	679,034	701,513	(22,479)
Streets and highways	273,120	239,374	236,131	3,243
Sanitation	16,618	14,589	14,389	200
Drainage and levee	165,752	118,423	115,973	2,450
Culture and recreation	149,139	158,815	155,822	2,993
Debt service:				
Principal retirement	33,830	33,685	24,008	9,677
Interest and fiscal charges	1,170	1,170	604	566
Capital outlay	272,212	169,546	188,605	(19,059)
Total expenditures	<u>1,977,591</u>	<u>1,841,585</u>	<u>1,860,729</u>	<u>(19,144)</u>
Excess of revenues over expenditures	313,819	301,408	377,836	76,428
Other Financing Uses				
Operating transfers out	<u>-</u>	<u>(53,445)</u>	<u>(272,888)</u>	<u>(219,443)</u>
Net Change in Fund Balance	<u>\$ 313,819</u>	<u>\$ 247,963</u>	<u>\$ 104,948</u>	<u>\$ (143,015)</u>

See notes to financial statements.

STATEMENT OF NET POSITION
PROPRIETARY FUND

Town of Golden Meadow
Louisiana

December 31, 2019

	<u>Sewerage Fund</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Current	
Cash and cash equivalents	\$ 19,788
Receivables:	
Accounts (net, where applicable of allowances for uncollectibles)	10,914
Due from other governmental units	<u>404,490</u>
Total current assets	<u>435,192</u>
Capital Assets	
Non-depreciable	2,187,685
Depreciable, net	<u>3,248,745</u>
Total capital assets	<u>5,436,430</u>
Total assets	<u>5,871,622</u>
Deferred Outflows of Resources	
Other post employment benefits	10,029
Pensions	<u>14,712</u>
Total deferred outflows of resources	<u>24,741</u>
Total assets and deferred outflows of resources	<u>5,886,334</u>

**Exhibit H
(Continued)**

Sewerage
Fund

LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

Current

Payable from current assets:	
Accounts payable and accrued expenses	2,220
Contracts payable	58,029
Due to other funds	440,491
	<hr/>
Total current liabilities	500,740

Non-current

Other post employment benefits	33,928
Net pension liability	76,525
	<hr/>
Total non-current liabilities	110,453

Total liabilities	611,193
-------------------	---------

Deferred Inflows of Resources

Other post employment benefits	2,272
Pensions	7,864
	<hr/>
Total deferred inflows of resources	10,136

Total liabilities and deferred inflows of resources	621,329
---	---------

NET POSITION (DEFICIT)

Net investment in capital assets	5,436,430
Unrestricted	(161,396)
	<hr/>
Total net position	\$ 5,275,034

See notes to financial statements.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION PROPRIETARY FUND

Town of Golden Meadow
Louisiana

For the year ended December 31, 2019

	<u>Sewerage Fund</u>
Operating Revenues	
Sales and service charges	<u>\$ 106,679</u>
Operating Expenses	
Salaries	40,092
Payroll taxes	3,067
Retirement	4,567
Hospitalization insurance	9,799
Utilities and telephone	15,061
Repairs and maintenance	36,298
Truck	3,831
Other insurance	7,319
Travel	598
Depreciation	83,361
Miscellaneous	<u>4,265</u>
Total operating expenses	<u>208,258</u>
Operating loss	<u>(101,579)</u>
Non-operating Revenues (Expenses)	
Investment income	17
Intergovernmental grants	<u>694,341</u>
Total non-operating revenues (expenses)	<u>694,358</u>
Other Financing Uses	
Transfers in	<u>54,435</u>
Change in Net Position	647,214
Net Position	
Beginning of year	<u>4,627,820</u>
End of year	<u><u>\$ 5,275,034</u></u>
See notes to financial statements.	

STATEMENT OF CASH FLOWS
PROPRIETARY FUND

Town of Golden Meadow
Louisiana

For the year ended December 31, 2019

	<u>Sewerage Fund</u>
Cash Flows from Operating Activities	
Cash received from customers and users	\$ 104,288
Cash payments to suppliers	(75,362)
Cash payments to employees for services and benefits	(57,157)
	<u>(28,231)</u>
Cash Flows from Noncapital Financing Activities	
Interfund lending	261,415
	<u>261,415</u>
Cash Flows from Capital and Financing Activities	
Acquisition and construction of capital assets	(847,674)
Proceeds from intergovernmental capital grants	474,908
	<u>(372,766)</u>
Cash Flows from Investing Activities	
Investment income	17
	<u>17</u>
Net Decrease in Cash and Cash Equivalents	(139,565)
Cash and Cash Equivalents	
Beginning of year	159,353
	<u>159,353</u>
End of year	\$ 19,788
	<u>19,788</u>

**Exhibit J
(Continued)**

Sewerage
Fund

**Reconciliation of operating loss to net cash
provided by operating activities:**

Operating loss	<u>\$ (101,579)</u>
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	83,361
Other postemployment benefits	4,861
Pensions	(4,493)
(Increase) decrease in assets:	
Receivables	(2,391)
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	<u>(7,990)</u>
Total adjustments	<u>73,348</u>
Net cash used in operating activities	<u><u>\$ (28,231)</u></u>

See notes to financial statements.

CONTENTS OF NOTES TO FINANCIAL STATEMENTS

Town of Golden Meadow Louisiana

December 31, 2019

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NOTES TO FINANCIAL STATEMENTS**Town of Golden Meadow
Louisiana**

December 31, 2019

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Golden Meadow complies with accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

a) Financial Reporting Entity

The Town of Golden Meadow, Louisiana was incorporated July 17, 1950, under the provisions of Act 136 (Lawson Act) of 1898, State of Louisiana. The Town operates under a Mayor-Town Council form of government and provides the following services as authorized by its charter: public safety, streets and highways, drainage, levee maintenance, sanitation, culture-recreation, sewerage, planning and zoning, and general administrative services.

As the governing authority of the township, the Town of Golden Meadow is the financial reporting entity for the Town of Golden Meadow, Louisiana. The financial reporting entity consists of (a) the primary government (the Town of Golden Meadow), (b) organizations for which the Town of Golden Meadow is financially accountable and (c) other organizations for which nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Statement No. 14, "*The Financial Reporting Entity*," GASB Statement No. 39, "*Determining Whether Certain Organizations Are Component Units-an amendment of GASB Statement No. 14*," and GASB Statement No. 61, "*The Financial Reporting Entity: Omnibus and amendment of GASB Statements No. 14 and No. 34*" established the criterion for determining which component units should be considered part of the Town for financial reporting purposes. The basic criteria are as follows:

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Financial Reporting Entity (Continued)

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued and the right to buy, sell and lease property in its own name.
2. Whether the governing authority appoints a majority of the board members of the potential component unit.
3. Fiscal interdependency between the Town and the potential component unit.
4. Imposition of will by the Town on the potential component unit.
5. Financial benefit/burden relationship between the Town and the potential component unit.

Based on the previous criteria, the Town of Golden Meadow, Louisiana determined it has no component units.

b) Basis of Presentation

The Town's financial statements consist of the government-wide statements on all of the non-fiduciary activities of the primary government and the fund financial statements (individual major funds).

Government-Wide Financial Statements

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for the primary government. For the most part, the effect of interfund activity has been removed from these statements. The government-wide presentation focuses primarily on the sustainability of the Town as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

Governmental Activities represent programs, which normally are supported by taxes and intergovernmental revenues.

Business-Type Activities are financed in whole or in part by fees charged to external parties for goods and services.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of Presentation (Continued)

Government-Wide Financial Statements (Continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect costs are not allocated by function for financial reporting in this statement; however, certain indirect costs have been directly allocated as administrative fees to grants and programs.

Program revenue include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. This includes internally dedicated resources such as a restricted property tax.

Fund Financial Statements

Separate financial statements are provided for governmental funds and a proprietary fund. Major individual governmental funds and major individual enterprise funds are reported in separate columns in the fund financial statements.

The daily accounts and operations of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, equity, revenues, expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds of the primary government are grouped, into generic fund types and two broad fund categories as follows:

Governmental activities presented as governmental funds in the fund financial statements:

General Fund - the General Fund is the general operating fund of the Town. The General Fund accounts for and reports all financial resources except those required to be accounted for and reported in other funds. The General Fund is always a major fund.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of Presentation (Continued)

Fund Financial Statements (Continued)

Capital Projects Fund - accounts for and reports financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets (other than those financed by Proprietary Funds). The Capital Projects Fund is reported as a major fund.

Proprietary Funds

Enterprise funds - are used to account for operations: (a) that are financed and operated similarly 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 periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The enterprise fund is presented in the business-type activities column in government-wide financial statements and the major funds section of the basic financial statements, the enterprise fund reported as a major fund in the fund financial statements is as follows:

Sewerage Fund - to account for and report sewer services to residents within the Sewer Service District of the Town. All activities necessary to provide such services are accounted for and reported in this fund, including, but not limited to, administration, operations, maintenance, financing, and related debt service. Billing and collection activities are contracted with the Lafourche Parish Waterworks District No. 1.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Basis of Accounting and Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied.

Fund Financial Statements

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing resources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For this purpose the Town considers revenue to be available if collected within 60 days of the end of the current fiscal year. Charges for services and fines and forfeitures are recorded as earned since they are measurable and available. Miscellaneous revenues are recorded as revenues when received in cash by the Town because they are generally not measurable or available until actually received.

Nonexchange transactions, in which the Town receives value without directly giving value in return, include sales tax, property tax, grants and donations. Ad valorem taxes are recognized as revenue of the period for which levied. The current year property taxes are being levied to finance the subsequent year's budgeted expenditures by Town ordinance and legally are not available for funding current year expenditures, accordingly property taxes levied in 2019 shall be recognized as revenue in 2020. The 2019 tax levy is recorded as the deferred inflows of resources in the Town's 2019 fund financial statements. Sales and use taxes are considered "measurable" when the underlying transaction occurs and meets the availability criteria. Anticipated refunds of such taxes are recorded as fund liabilities and reductions of revenue when they are

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Basis of Accounting and Measurement Focus (Continued)

Fund Financial Statements (Continued)

measurable and valid. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include purpose and timing requirements, which specify the use and period when the resources can be used.

Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable, except for the following: (1) principal and interest on long-term debt are recorded when due and (2) claims and judgments, compensated absences, other postemployment benefits and net pension expense are recorded as expenditures in the governmental fund type when paid with expendable financial resources. Allocations of cost such as depreciation and amortization are not recognized in the governmental funds.

All proprietary funds are accounted for on a flow of economic resources measurement focus. Proprietary funds are maintained on the accrual basis of accounting wherein revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized in the period incurred, if measurable. Revenues resulting from transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

d) Assets, Liabilities, and Equity

Cash, Cash Equivalents, and Investments

Cash includes amounts in regular and money market accounts.

Investment policies are governed by state statutes and bond covenants. Additional details on authorized investments of the Town are disclosed in Note 4.

For purposes of the Statement of Cash Flows, cash and cash equivalents include the investment in the Louisiana Asset Management Pool (LAMP), certificates of deposit and other securities with maturities of three months or less from date purchased.

Investments are stated at fair value as established by the open market, except for the LAMP investment, which is a local government 2a7-like pool administered by a non-profit corporation organized under State of Louisiana law, which is permitted to be carried at amortized cost.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Assets, Liabilities, and Equity (Continued)

Cash, Cash Equivalents, and Investments (Continued)

Securities traded in a national or international exchange are valued at the last reported sales price at current exchange rates. There are no investments without an established market. Unrealized gains and losses on investments recorded at fair value are included in investment income.

Accounts Receivable

All tax and trade receivables are shown net of an allowance for uncollectables. The allowance for uncollectable is based on aging and specific identification. As of December 31, 2019, management considered all receivables to be fully collectible.

Interfund Transactions

In the financial statements, interfund activity is reported as either loans or transfers. Loans between funds are reported as interfund receivables (due from) and payables (due to) as appropriate. Transfers represent a permanent reallocation of resources between funds. In other words, they are not expected to be repaid. For reporting purposes, all interfund transactions between individual governmental funds have been eliminated in the government-wide financial statements. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances".

Capital Assets

Capital assets, which include land, construction in progress, buildings and improvements, equipment and infrastructure assets (streets, roads, bridges, canals and sewer and drainage systems) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an estimated useful life in excess of one year and initial, individual cost of more than \$500. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. Capital assets with an estimated cost amounted to \$253,576 or 1.77% of the cost of capital assets used in governmental activities.

The costs of normal maintenance and repairs that do not add value to the asset or materially extend its useful life are not capitalized.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Assets, Liabilities, and Equity (Continued)

Capital Assets (Continued)

Major outlays for capital assets and improvements are capitalized as projects at completion of construction. At this point the project costs are moved out of construction-in-progress and capitalized. Interest incurred during the construction phase of capital assets of business activities is expensed as incurred. During the year ended December 31, 2019, the Town did not incur interest expense on capital construction projects in the business activities.

Capital assets of the Town are depreciated using the straight-line method over the following estimated useful lives:

Type of Capital Assets	No. of Years
Buildings and improvements	10 - 40
Seawall	50
Christmas fixtures	10
Protection levee	25 - 40
Swimming pool and related equipment	5 - 40
Autos and trucks	5 - 7
Sidewalks, streets and drainage	7 - 40
Oakridge Park	15 - 40
Office furniture and fixtures	5 - 7
Departmental equipment	5 - 15

All infrastructure assets purchased by the Town since 1984 are recorded as capital assets and depreciated accordingly. All donated infrastructure accepted into the Town's maintenance program since 1984 has been capitalized and depreciated in accordance with the above capitalization policy.

Deferred Outflows and Inflows of Resources

In addition to assets and liabilities, the Statement of Net Position reports separate financial statement elements for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditures) until then. The Town's deferred outflows of resources relate to other postemployment benefits and pensions. Deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Assets, Liabilities, and Equity (Continued)

Deferred Outflows and Inflows of Resources (Continued)

be recognized as an inflow of resources (revenue) until then. The Town has three items that qualify for reporting as deferred inflows of resources: property taxes, other postemployment benefits and pensions.

Non-Current Liabilities

Non-current liabilities consist of capital leases, compensated absences, other postemployment benefits and net pension liability.

The accounting treatment of non-current liabilities 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.

In the government-wide Statement of Net Position and in the proprietary fund types' financial statements, long-term debt and other long-term obligations are reported as liabilities.

Compensated Absences

GASB Statement No. 16, "*Accounting for Compensated Absences*", requires governments to accrue compensated absences only to the extent it is probable that the employer will compensate employees for benefits through cash payments conditioned on the employees' termination or retirement.

In the government-wide financial statements and the proprietary fund type statements, the total compensated absences liability for earned and unused annual leave and earned compensatory time is recorded as an expense, allocated on a functional basis, and a long-term obligation. In accordance with GASB Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements, no compensated absence liabilities are recorded as of December 31, 2019 in the governmental fund-type fund financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Assets, Liabilities, and Equity (Continued)

Compensated Absences (Continued)

Employees with one year or more of service earn a total of five to ten days annual leave and ten days sick leave per year. Employees may not carry over or accumulate annual leave. Any sick leave not used during any calendar year can be carried over and accumulated without limit. Any sick leave accumulated at the time of termination of employment by the Town shall not be paid. The Town can award compensation time for participation in events outside of normal work duties, which can be used as sick leave or annual leave days and is payable upon termination of employment with the Town.

Other Postemployment Benefits

GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*" requires governments to accrue postemployment benefits to the extent it is probable the employer will provide benefits conditioned on the employees' retirement. The Town has recorded liabilities for postemployment health care benefits as of December 31, 2019.

In the government-wide financial statements and the proprietary fund type fund statements, the other postemployment benefits liability is recorded as long-term obligations and allocated to expenses on a functional basis.

In the governmental fund type fund financial statements other postemployment benefit expenditures are recognized in the amount contributed to the plan or expected to be liquidated with expendable available financial resources. Expendable available financial resources generally refer to other postemployment benefit payments due and payable as of the end of the year.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees Retirement System (MERS) and the Municipal Police Employees Retirement System (MPERS) and additions to/deductions from MERS and MPERS fiduciary net position have been

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Assets, Liabilities, and Equity (Continued)

Pensions (Continued)

determined on the same basis as they are reported by MERS and MPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Equity

Government-wide Statements

Equity is classified as net position and displayed in three components:

- a) Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b) Restricted net position - consists of assets and deferred outflows of resources less liabilities and deferred inflow of resources (net position) with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or other enabling legislation.
- c) Unrestricted net position - all other net position that does not meet the definition of "restricted" or "net investment in capital assets".

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

Fund Financial Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

- a) Non-spendable - amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to maintain intact.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Assets, Liabilities, and Equity (Continued)

Fund Financial Statements

- b) Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c) Committed - amounts that can be used only for specific purposes determined by a formal action of the Town Council. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Town Council.
- d) Assigned - amounts that do not meet the criteria to be classified as either restricted or committed but are intended to be used for specific purposes. Amounts may be assigned by a majority vote of the Town Council or by the Town Clerk under the authorization of the Mayor.
- e) Unassigned - all other spendable amounts.

For the classification of governmental fund balances, the Town considers an expenditure to be made from the most restrictive first when more than one classification is available. The Town's fund balance was classified as restricted and unassigned as of December 31, 2019.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds and the government-wide financial statements during the reporting period. Actual results could differ from these estimates.

e) New GASB Statements

The GASB has issued the following Statements which will become effective in future years as follows:

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) New GASB Statements (Continued)

Statement No. 83, "*Certain Asset Retirement Obligations*" addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. The requirements of this Statement are effective for reporting periods beginning after June 15, 2019. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 84, "*Fiduciary Activities*" improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity; and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 87, "*Leases*" increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management has not yet determined the effect of this Statement on the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) New GASB Statements (Continued)

Statement No. 88, "*Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*" improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. The Statement clarifies which liabilities governments should include when disclosing information related to debt. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2019. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 90, "*Majority Equity Interest*" improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and therefore, the government should report that organization as a component unit. This Statement also requires that a component unit in which a government has a 100% equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100% equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should only include transactions that occurred subsequent to the inflows

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) New GASB Statements (Continued)

acquisition. The requirements are effective for reporting periods beginning December 31, 2019. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 91, "*Conduit Debt Obligations*" The requirements of this Statement will improve financial reporting by eliminating the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice. The clarified definition will resolve stakeholders' uncertainty as to whether a given financing is, in fact, a conduit debt obligation. Requiring issuers to recognize liabilities associated with additional commitments extended by issuers and to recognize assets and deferred inflows of resources related to certain arrangements associated with conduit debt obligations also will eliminate diversity, thereby improving comparability in reporting by issuers. Revised disclosure requirements will provide financial statement users with better information regarding the commitments issuers the likelihood that they will fulfill those commitments. That information will inform users of the potential impact of such commitments on the financial resources of issuers and help users assess issuers' roles in conduit debt obligations. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Earlier application is encouraged. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 92, "*Omnibus 2020*" establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance related activities of public entity risk pools, fair value measurements, and derivative instruments. The requirements of this Statement apply to all financial statements of all state and local governments at dates varying from upon issuance to fiscal periods beginning after June 15, 2021. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 93, "*Replacement of Interbank Offered Rates*" The exceptions to the existing provisions in Statement No. 53, "*Accounting and Financial Reporting for Derivative Instruments*" and Statement No. 87, "*Leases*" for hedge accounting termination and lease modifications in this Statement will reduce the cost of the accounting and financial reporting ramifications of replacing interbank offered rates IBORs- most notably, the London Interbank Offered Rate, (LIBOR) with other reference rates. The reliability and relevance of reported information will be maintained by requiring that agreements that effectively maintain an existing hedging

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) New GASB Statements (Continued)

arrangement continue to be accounted for in the same manner as before the replacement of a reference rate. As a result, this Statement will preserve the consistency and comparability of reporting hedging derivative instruments and leases after governments amend or replace agreements to replace an IBOR. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 94, *"Public-Private and Public-Public Partnerships and Availability Payment Arrangements"* improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for years beginning after June 15, 2020. Management has yet to determine the effect on this Statement.

Statement No. 95, *"Postponement for the Effective Dates of Certain Authoritative Guidance"* provides temporary relief to governments and other stockholders in light of the Coronavirus (COVID-19) pandemic. That objective is accomplished by postponing the effective dates of certain Statements and Implementation Guides to those dates reported above.

Note 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

The annual budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund. All annual appropriations lapse at year-end. The Capital Projects Fund presents budgets by project as opposed to annual budgets and are therefore not reported in the accompanying financial report. The Town Council approves each project budget and maintains effective controls of costs.

The Town does not employ encumbrance accounting; under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

The Town adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- a) Not later than December 16th, a proposed operating budget for the year commencing the following January 1st shall be submitted to the Town Council. The operating budget includes proposed expenditures and the means of financing them.
- b) The Town Council conducts public hearings to obtain taxpayer comments.
- c) All actions necessary to adopt and otherwise finalize and implement the budget for an ensuing year are taken prior to the end of the year in progress.
- d) The level of budgetary control is at the fund, department or project level and any amendment involving the transfer of monies from one fund, department or project to another or any amendment for amounts exceeding any current expenditure amount budgeted must be approved by the Town Council.
- e) All budgeted amounts, which are not expended, or obligated through contracts, lapse at year end.
- f) Budgets for all governmental fund types are adopted on a basis consistent with GAAP, except for cash transfers. Cash transfers between bank accounts are charged to other financing sources and (uses).
- g) The budget was amended once during the year.

Note 3 - PROPERTY TAXES

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Town. Assessed values are established by the Lafourche Parish Assessor's Office and the State Tax Town at percentages of actual value as specified by Louisiana Law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2016. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The assessed value, upon which the 2019 levy was based, was \$9,041,100.

The 1974 Louisiana Constitution (Article 7 Section 18) provided that land and improvements for residential purposes be assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, are to be assessed at 15%; and public service properties, excluding land, are to be assessed at 25% of fair market value. Fair market value is determined by the elected assessor of the parish on all property subject to taxation except public service properties, which are valued by the Louisiana Tax Town (LRS 47:1957). The correctness of assessments by the assessor is subject to the review and certification by the Louisiana Tax Town.

The Town has levied property taxes for maintenance of levees, drainage and streets and for general corporate purposes. The various tax rates for the year ended December 31, 2019 were as follows:

<u>Description</u>	<u>Tax Rate Per \$1,000</u>
Levee maintenance	\$5.09
Drainage maintenance	\$5.09
Street maintenance	\$5.00
General	\$5.97

As indicated in Note 1c, property taxes are recorded as revenue by the Town in the year the taxes finance budgeted expenditures. Property taxes, which are paid under protest, are recorded as revenue in the year the taxes are settled.

Note 4 - DEPOSITS AND INVESTMENTS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or other federally insured investments, certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations.

Note 4 - DEPOSITS AND INVESTMENTS (Continued)

Bank Deposits

State law requires deposits (cash and certificates of deposits) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana, and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision, or with an unaffiliated bank, or with a trust company for the account of the political subdivision.

The year end balances of deposits are as follows:

	Bank Balance	Reported Amount
Cash	\$1,678,607	\$1,744,067
Certificates of deposit	540,000	540,000
Total	\$2,218,607	\$2,284,067

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town has a written policy for custodial credit risk, which reflects state law. As of December 31, 2019, \$1,566,852 of the Town's bank balance of \$2,218,607 was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, and are deemed to be held in the Town's name by state statutes.

As of December 31, 2019, cash was adequately collateralized in accordance with state law by securities held by unaffiliated banks for the account of the Town. The GASB, which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the deposits are considered subject to custodial credit risk under the provisions of GASB Statement No. 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

Investments

State statutes authorize the Town to invest in obligations of the U.S. Treasury, agencies, and instrumentalities; guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations; repurchase agreements; and the Louisiana Asset Management Pool (LAMP).

Note 4 - DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

As a means of limiting its exposure to fair value losses arising from interest rates, the Town's investment policy emphasizes maintaining liquidity to match specific cash flows.

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Town's investment policy requires the application of the prudent-investor rule. The policy states, *investments shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affair, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. Primary emphasis shall be placed upon the safety of principal secondly to maintain liquidity to meet operating requirements and finally to obtain the most favorable rate of return.*

The Town's investment policy limits investments to those discussed earlier in this note. LAMP has a Standard & Poor's Rating of AAAM.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments in external investment pools are not exposed to custodial credit risk because of their natural diversification and the diversification required by the Securities and Exchange Town.

LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed or backed by the U.S. Treasury, the U.S. Government or one of its agencies, enterprises or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purposes of determining participants' shares, investments are valued at amortized cost. The fair value of participant's position is the same as the value of the pool shares. Because LAMP as of December 31, 2019, had a weighted average maturity of 51 days, it was presented as an

Note 4 - DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

investment with a maturity of less than one year. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. Investments in LAMP as of December 31, 2019 amounted to \$2,677,861 and are reported as cash equivalents.

Investments

A reconciliation of deposits and investments as shown on the Statement of Net Position is as follows:

Cash on hand	\$ 700
Reported amount of cash deposits	1,744,067
Reported amount of investments - certificates of deposit	540,000
Reported amount of investments - LAMP	<u>2,677,861</u>
Total	<u>\$4,962,628</u>
Cash and cash equivalents	\$4,422,628
Investments	<u>540,000</u>
Total	<u>\$4,962,628</u>

Note 5 - RECEIVABLES

Receivables and the applicable allowances for doubtful accounts as of December 31, 2019 were as follows:

	Amount	Allowance for Uncollectibles	Net Receivables
Governmental Activities:			
General Fund:			
Sales taxes	\$109,366	\$ -	\$109,366
Property taxes	44,072	-	44,072
Franchise fees	17,526	-	17,526
Other	<u>1,031</u>	<u>-</u>	<u>1,031</u>
Total governmental activities	<u>\$171,995</u>	<u>\$ -</u>	<u>\$171,995</u>
Business-type Activities:			
Sewerage Fund:			
Accounts	<u>\$ 10,914</u>	<u>\$ -</u>	<u>\$ 10,914</u>

Note 5 - RECEIVABLES (Continued)

An allowance based upon past experience has been established for customers' sewerage fees. Uncollectible amounts due for ad valorem taxes and other receivables are recognized as reductions to revenue at the time information becomes available which would indicate the uncollectability of the particular receivable.

Note 6 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units as of December 31, 2019 consisted of the following:

	<u>Federal</u>	<u>State</u>	<u>Lafourche Parish School Board</u>	<u>Lafourche Parish Government</u>	<u>Totals</u>
Governmental Activities:					
General Fund	\$ -	\$ 38,731	\$50,560	\$49,956	\$139,247
Capital Projects Fund	121,015	-	-	-	121,015
Total Governmental Activities:	<u>\$121,015</u>	<u>\$ 38,731</u>	<u>\$50,560</u>	<u>\$49,956</u>	<u>\$260,262</u>
Business-type Activities:					
Sewerage Fund	<u>\$254,068</u>	<u>\$150,422</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$404,490</u>

Note 7 - RECONCILIATION OF DUE FROM (TO) OTHER FUNDS

A reconciliation of due from (to) other funds as of December 31, 2019 is as follows:

	<u>Due From</u>	<u>Due To</u>
General Fund		
Sewerage Fund	\$440,491	\$ -
Capital Projects Fund	50	-
Capital Projects Fund		
General Fund	-	50
Sewerage Fund		
General Fund	<u>-</u>	<u>440,491</u>
Totals	<u>\$440,541</u>	<u>\$440,541</u>

Note 8 - CHANGE IN CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019 was as follows:

	Balance January 1, 2019	Additions	Deletions	Balance December 31, 2019
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 100,528	\$ -	\$ -	\$ 100,528
Construction in progress	3,453	404,277	(327,572)	80,158
	<u>103,981</u>	<u>404,277</u>	<u>(327,572)</u>	<u>180,686</u>
Total capital assets not being depreciated				
Capital assets being depreciated:				
Buildings and improvements	2,459,841	2,967	-	2,462,808
Seawall	4,675,063	327,572	-	5,002,635
Christmas fixtures	16,904	-	-	16,904
Protection levee	164,195	-	-	164,195
Swimming pool	531,676	-	-	531,676
Autos and trucks	294,413	-	(27,879)	266,534
Sidewalks, streets and drainage	3,621,907	61,900	(58,267)	3,625,540
Oakridge Park	1,448,453	38,328	-	1,486,781
Office furniture and fixtures	85,060	1,766	-	86,826
Equipment:				
Street department	337,773	-	-	337,773
Sanitation department	11,400	-	-	11,400
Police department	135,596	5,938	-	141,534
	<u>13,782,281</u>	<u>438,471</u>	<u>(86,146)</u>	<u>14,134,606</u>
Total capital assets being depreciated				
Less accumulated depreciation for:				
Buildings and improvements	(497,501)	(66,484)	-	(563,985)
Seawall	(400,252)	(94,590)	-	(494,842)
Christmas fixtures	(16,904)	-	-	(16,904)
Protection levee	(164,195)	-	-	(164,195)
Swimming pool	(304,890)	(19,648)	-	(324,538)
Autos and trucks	(208,651)	(33,746)	27,879	(214,518)
Sidewalks, streets and drainage	(2,548,432)	(88,263)	58,267	(2,578,428)
Oakridge Park	(699,824)	(49,867)	-	(749,691)
Office furniture and fixtures	(80,848)	(2,262)	-	(83,110)
Equipment:				
Street department	(199,111)	(18,768)	-	(217,879)
Sanitation department	(11,400)	-	-	(11,400)
Police department	(115,266)	(10,401)	-	(125,667)
	<u>(5,247,274)</u>	<u>(384,029)</u>	<u>86,146</u>	<u>(5,545,157)</u>
Total accumulated depreciation				
Total capital assets being depreciated, net				
	<u>8,535,007</u>	<u>54,442</u>	<u>-</u>	<u>8,589,449</u>
Total governmental activities capital assets, net				
	<u>\$8,638,988</u>	<u>\$ 458,719</u>	<u>\$(327,572)</u>	<u>\$ 8,770,135</u>

Note 8 - CHANGE IN CAPITAL ASSETS (CONTINUED)

	Balance January 1, 2019	Addition	Deletions	Balance December 31, 2019
<u>Business Type Activities:</u>				
Capital assets not being depreciated:				
Construction in progress	\$2,454,615	\$ 754,111	\$(1,021,041)	\$2,187,685
Capital assets being depreciated:				
Sewer system phase I	862,391	-	-	862,391
Sewer system phase II	1,083,020	-	-	1,083,020
Sewer system phase III	984,834	-	-	984,834
Sewer system phase V	-	1,021,041	-	1,021,041
Buildings - sewer system	464,442	-	-	464,442
Furniture and fixtures	4,846	-	-	4,846
Equipment and machinery	56,006	-	-	56,006
 Total capital assets being depreciated	 3,455,539	 1,021,041	 -	 4,476,580
Less accumulated depreciation for:				
Sewer system phase I	(460,456)	(16,496)	-	(476,952)
Sewer system phase II	(455,423)	(19,731)	-	(475,154)
Sewer system phase III	(104,966)	(19,697)	-	(124,663)
Sewer system phase V	-	(10,210)	-	(10,210)
Buildings-sewer system	(98,693)	(11,610)	-	(110,303)
Furniture and fixtures	(4,846)	-	-	(4,846)
Equipment and machinery	(20,090)	(5,617)	-	(25,707)
 Total accumulated depreciation	 (1,144,474)	 (83,361)	 -	 (1,227,835)
 Total capital assets being depreciated, net	 2,311,065	 937,680	 -	 3,248,745
 Total business-type activities capital assets, net	 \$4,765,680	 \$1,691,791	 \$(1,021,041)	 \$5,436,430

As of December 31, 2019, construction in progress in governmental activities consisted of the cost of the waterline on Doucet St. Construction in progress of business activities as of December 31, 2019 consisted of planning, design, engineering, right of ways, and other professional services for the Town's Sewer System Phase IV, Phase V, and Phase VI projects.

Note 8 - CHANGE IN CAPITAL ASSETS (Continued)

The Town has active construction projects as of December 31, 2019. At year end the Town's commitments with contractors are as follows:

Project	Spent to Date	Remaining Commitment
Governmental Type Activities:		
Doucet Street Waterline	<u>\$ 75,755</u>	<u>\$ 8,417</u>
Business Type Activities:		
Sewer Phase IV	<u>\$1,700,557</u>	<u>\$127,305</u>

Depreciation expense was charged to functions of the Town as follows:

Governmental Activities:	
General government	\$ 48,020
Public safety	51,302
Culture and recreation	79,760
Streets and highways	53,023
Drainage and levee	149,021
Sanitation	<u>2,903</u>
Total depreciation expense - governmental activities	<u>\$384,029</u>
Business Type Activities:	
Sewerage	<u>\$ 83,361</u>

Note 9 - ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES

Accounts payable and other current liabilities of December 31, 2019 consisted of the following:

	<u>Vendors</u>	<u>Payroll and Related Costs</u>	<u>Court Bonds Posted</u>	<u>Liability for Work Completed on Contracts</u>	<u>Totals</u>
Governmental Activities:					
General Fund	<u>\$ 39,916</u>	<u>\$ 18,538</u>	<u>\$ 20,506</u>	<u>\$ 75,755</u>	<u>\$ 154,715</u>
Business-type Activities:					
Sewerage Fund	<u>\$ 1,984</u>	<u>\$ 236</u>	<u>\$ -</u>	<u>\$ 58,029</u>	<u>\$ 60,249</u>

Note 10 - NON-CURRENT LIABILITIES

The Town is in a lease agreement for financing the acquisition of a tractor. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception. The asset acquired through the capital lease has an aggregate cost of \$115,881 and accumulated depreciation of \$27,663 as of December 31, 2019. During the year ended December 31, 2019, the Town made lease payments of \$24,612 including \$604 of interest. The capital lease outstanding as of December 31, 2019 is being liquidated by the General Fund.

The following is a summary of the non-current liabilities for the year ended December 31, 2019:

	<u>Payable January 1, 2019</u>	<u>Obligations Retired</u>	<u>New Issues</u>	<u>Payable December 31, 2019</u>	<u>Within One Year Totals</u>
Governmental Activities:					
Lease obligations	\$ 36,225	\$ 24,008	\$ -	\$ 12,217	\$12,217
Compensated absences payable	7,620	4,902	-	2,718	-
Net pension liability	1,277,301	88,175	-	1,189,126	-
Other postemployment benefits	<u>394,489</u>	<u>-</u>	<u>109,541</u>	<u>504,030</u>	<u>-</u>
Total governmental activities	<u>\$1,715,635</u>	<u>\$117,085</u>	<u>\$109,541</u>	<u>\$1,708,091</u>	<u>\$12,217</u>
Business-type Activities:					
Net pension liability	\$ 96,903	\$ 20,378	\$ -	\$ 76,525	\$ -
Other postemployment benefits	<u>18,923</u>	<u>-</u>	<u>15,005</u>	<u>33,928</u>	<u>-</u>
Total business-type activities	<u>\$ 115,826</u>	<u>\$ 20,378</u>	<u>\$ 15,005</u>	<u>\$ 110,453</u>	<u>\$ -</u>

Note 10 - NON-CURRENT LIABILITIES (Continued)

The annual requirements to amortize the capital lease is as follows:

<u>Maturity</u>	<u>Principal</u>	<u>Interest</u>
2020	<u>\$12,217</u>	<u>\$ 87</u>

Note 11 - RECONCILIATION OF OPERATING TRANSFERS

A reconciliation of operating transfers for the year ended December 31, 2019 is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund		
Capital Projects Fund	\$ -	\$218,453
Sewer Fund	-	54,435
Capital Projects Fund		
General Fund	218,453	-
Sewer Fund		
General Fund	<u>54,435</u>	<u>-</u>
	<u>\$272,888</u>	<u>\$272,888</u>

Transfers are used to (1) move revenues from the fund that statute, budget or bond indentures requires collecting to the fund that statute, budget or bond indentures requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorization.

Note 12 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to workers compensation; torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and group health benefits for which the Town carries commercial insurance. The Town is covered under a general liability contract for claims, including claims related to the gas distribution system, up to \$500,000. Any claims in excess of \$500,000 are to be paid by the Town. A suit is pending against the Town, its insurers and others. The Town has not provided for estimated losses from the aforementioned pending suit in its financial statements because the Town believes the ultimate settlement costs will not materially exceed the amounts provided by commercial insurance.

Note 13 - POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description

The Town provides certain continuing health care for its retired employees. The Town's OPEB Plan (the "Plan") is a single-employer defined benefit OPEB plan administered by the Town. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the Town. No assets are accumulated in a trust that meets the criteria in GASB Codification Section P52 *Postemployment Benefits Other Than Pensions-Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria-Defined Benefit*.

Medical benefits are provided through a comprehensive medical plan and are made available upon actual retirement. The employees are covered by a retirement system and eligibility requirement to receive retiree medical benefits is age 60 and 10 years of service; or, any age and 25 years of service.

Life insurance is not provided by the Plan.

Employees Covered by Benefit Terms

Inactive employees currently receiving benefit payments	2
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>18</u>
Total	<u><u>20</u></u>

The Town's total OPEB liability of \$537,958 (\$504,030 governmental activities and \$33,928 business activities) was measured as of December 31, 2019 and was determined by an actuarial valuation as of the same date.

Actuarial Assumptions and Other Inputs

The total OPEB liability as of December 31, 2019 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Measurement date	December 31, 2019
Actuarial valuation date	December 31, 2019
Inflation	2.50%
Salary increases, including inflation	3.00%
Discount rate	2.74%
Healthcare cost trend rates	5.50%

Note 13 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Actuarial Assumptions and Other Inputs (Continued)

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation Municipal Bond Index as of December 31, 2019.

Mortality rates were based on the RP-2000 Table, without projection with 50%/50% unisex blend.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2009 through December 31, 2019.

Changes in the Total OPEB Liability

	Total OPEB Liability	Activities	
	<u>Liability</u>	<u>Governmental</u>	<u>Business</u>
Balance as of December 31, 2018,	<u>\$413,412</u>	<u>\$394,489</u>	<u>\$18,923</u>
Changes for the year:			
Service cost	16,616	12,992	3,624
Interest	17,290	16,440	850
Difference between expected and actual experience	60,896	54,335	6,561
Changes in assumptions or other inputs	50,262	46,292	3,970
Benefit payments	<u>(20,518)</u>	<u>(20,518)</u>	<u>-</u>
Net changes	<u>124,546</u>	<u>109,541</u>	<u>15,005</u>
Balance as of December 31, 2019	<u>\$537,958</u>	<u>\$504,030</u>	<u>\$33,928</u>

Note 13 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Sensitivity to the total OPEB Liability to Change in the Discount Rate

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or higher than the current discount rate.

	1.00% Decrease (1.74%)	Current Discount Rate (2.74%)	1.00% Increase (3.74%)
Total OPEB Liability	\$602,500	\$537,958	\$484,217

Sensitivity to the total OPEB Liability to Changes in the Health Cost Trend Rates

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or higher than healthcare cost trend rates.

	1.00% Decrease (4.50%)	Current Trend Rate (5.50%)	1.00% Increase (6.50%)
Total OPEB Liability	\$481,831	\$537,958	\$606,354

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2019, the Town recognized OPEB expense of \$32,572. As of December 31, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 57,316	\$ (2,085)
Change in assumptions	56,112	(20,467)
Totals	\$113,428	\$(22,552)

Note 13 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending December 31,</u>	
2020	\$ 5,929
2021	5,929
2022	5,929
2023	5,929
2024	5,929
Thereafter	<u>61,231</u>
Total	<u>\$ 90,876</u>

Note 14 - PENSION PLANS

Employees of the Town, with the exception of the policemen, are members of the Municipal Employees' Retirement System of Louisiana. Full-time policemen, not participating in the Federal Social Security System, are members of the Municipal Police Employees' Retirement System of Louisiana.

a) Municipal Employees' Retirement System

Plan Description. The Town contributes to the Municipal Employees Retirement System of Louisiana - Plan A (MERS), a cost-sharing, multiple-employer defined benefit pension plan that is administered by a Board of Trustees. MERS was originally established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana. MERS provides benefits to employees of all incorporated villages, towns and cities within the State which do not have their own retirement system and which elect to become members of MERS. Effective June 30, 1970, the State Legislature provided an optional method for municipalities to cancel Social Security and come under the supplementary benefits in the MERS "Supplementary Plan". Effective, October 1, 1978, the "Regular" and "Supplementary" Plans were replaced and are now known as Plans "A" and "B". Plan A combines the original and supplementary plan for those municipalities participating in both plans, while Plan B

Note 14 - PENSION PLANS (Continued)

a) Municipal Employees' Retirement System (Continued)

participates in only the original plan. MERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809.

Membership. Membership is mandatory as a condition of employment beginning on the date employed for permanent employees working at least 35 hours per week.

Benefits Provided. MERS provides retirement, deferred retirement, disability and death benefits. Retirement benefits are generally equal to 3.0% of the member's monthly average final compensation multiplied by the years of creditable service. Members hired before January 1, 2013 can retire providing the member meets one of the following criteria: any age with 25 years of creditable service, age 60 with a minimum of ten years of creditable service, any age with five years of creditable service eligible for disability benefits, or survivor's benefits at the death of member. Also a member may receive actuarially reduced benefits at any age with 20 years of creditable service. Members hired on or after January 1, 2013 may retire providing the member meets one of the following: age 67 with seven or more years of creditable service, age 62 with 10 or more years of creditable service, age 55 with 30 or more years of creditable service. A member may receive an actuarially reduced benefit at any age with 25 years of creditable service. Members with ten or more years of service who become disabled may receive retirement benefits determined in the same manner as retirement benefits. Death benefits are payable to eligible surviving dependents based on the deceased member's compensation and the dependent's relationship to the deceased member. The State Legislature authorized MERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP their status changes from active to retired even though they continue to work, draw their salary and defer the receipt of benefits for up to three years. During participation in DROP, employer contributions are paid into the DROP fund but employee contributions cease. The election to participate in DROP is irrevocable once participation begins. The monthly retirement benefits are paid in an interest earning DROP account. Upon termination of employment or the end of the specified period a member may elect a lump sum equal to his payments into the DROP account, an annuity equal to the balance in his DROP account or any method approved by the Board of Trustees. MERS provides permanent benefit increases, cost of living adjustments (COLA) as approved by the State Legislature.

Note 14 - PENSION PLANS (Continued)

a) Municipal Employees' Retirement System (Continued)

Contributions. According to state statute, contribution requirements for all employers are actuarially determined each year. The actual employer contribution rate is determined July 1st each year and was 26.00% for the six months ended June 30, 2019; and 27.75% for the six months ended December 31, 2019.

In accordance with state statute, MERS receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations.

Contributions to MERS from the Town were \$112,135 for the year ended December 31, 2019.

Actuarial Assumptions. A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2019 are as follows:

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions	
Expected Remaining	
Service Lives	3 years
Investment Rate of Return	7.000%, net of investment expense
Inflation Rate	2.500%
Projected Salary Increases	
1 to 4 years of service	6.400%
More than 4 years of service	4.500%
Mortality Rates	
Annuitant and Beneficiary	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
Employee	PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
Disabled Lives	PubG-2010(B) Disabled Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by MERS and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

Note 14 - PENSION PLAN (Continued)

a) Municipal Employees' Retirement System (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.70% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.00% for the year ended June 30, 2019. Estimates of arithmetic real rates of return for each major asset class based on the Fund's target asset allocation as of June 30, 2019 are as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public Equity	50.00%	2.15%
Public Fixed Income	35.00%	1.51%
Alternatives	15.00%	0.64%
Total	100.00%	4.30%
Inflation		2.70%
Expected Arithmetic Nominal Return		7.00%

Discount Rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by Public Retirement System Actuarial Committee taking into consideration the recommendation of System's actuary. Based on those assumptions, MERS's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 14 - PENSION PLAN (Continued)

a) Municipal Employees' Retirement System (Continued)

Sensitivity of the Town's Proportionate Share of the Collective Net Pension Liability to Changes in the Discount Rate. The following presents the Town's proportionate share of the collective net pension liability using the discount rate of 7.00%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.00%) or one percentage-point higher (8.00%) than the current rate:

	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
Town's proportionate share of the net pension liability	\$1,234,912	\$947,148	\$703,853

Pension Plan Fiduciary Net Position. The Municipal Employees Retirement System of Louisiana has issued a stand-alone audit report on their financial statements for the year ended June 30, 2019. Access to the report can be found on the Louisiana Legislative Auditor's website, www.lla.state.la.us.

b) Municipal Police Employees' Retirement System

Plan Description. The Town contributes to the Municipal Police Employees Retirement System of Louisiana (MPERS), a cost-sharing, multiple-employer defined benefit pension plan. MPERS was established by Act 189 of the 1973 regular session of the Legislature of the State of Louisiana. MPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the MPERS website: www.lampers.org or on the Office of the Louisiana Legislative auditor's website: lla.state.la.us.

Membership. MPERS is mandatory for any eligible full time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests and not paying social security.

Benefits Provided. MPERS provides retirement, deferred retirement, disability and death benefits. Members hired before January 1, 2013 can retire providing the member meets one of the following criteria: any age with 25 years of creditable service, age 50 with a minimum of 20 years of creditable service, or 12 years of creditable service at age 55. Upon the death of an active member, or disability retiree,

Note 14 - PENSION PLAN (Continued)

b) Municipal Police Employees' Retirement System (Continued)

MPERS benefits to the surviving spouse range from 40% to 60% of the member's average final compensation. Each surviving child under the age of 18 receives benefits equal to the greater of 10% of the member's average final compensation or \$200 per month. Retirement benefits are generally equal to 3.33% of the member's monthly average final compensation (average monthly earnings during the highest 36 consecutive months or joined months) multiplied by the years of creditable service, not to exceed 100% of final salary. Members hired on or after January 1, 2013 eligibility for regular retirement, early retirement and survivor benefits are based on Hazardous Duty or Non-Hazardous Duty sub plans. Under the Hazardous Duty sub plan member meets eligibility requirements in one of the following: at any age with 25 years of creditable service or at age 55 with 12 years of creditable service. Under the Non-Hazardous Duty sub plan, a member is eligible for regular retirement after being a member of MPERS and has 30 years of creditable service at any age, or has 25 years of creditable service at age 55, or ten years of creditable service at age 60. Under each sub plan a member is eligible for early retirement at age 55 and 20 years of credible service. Under the Hazardous and Non-Hazardous sub plans, the benefit rates are 3% and 2.5%, respectively, of the average final compensation during the highest 60 consecutive months per number of years of creditable service. Upon the death of an active member, or disability retiree the surviving spouse benefits range from 25% to 55% of the member's average final compensation. Each surviving child under the age of 18 receives the same benefit as members hired before January 1, 2013. The State Legislature authorized MPERS to establish a Deferred Retirement Option Plan (DROP). A member has the option to enter DROP upon regular retirement. When a member enters DROP the employer and employee contributions cease. The amount deposited into the DROP account is equal to the benefit computed under MPERS. The duration of DROP is up to three years. If employment is terminated after the DROP period the participant may receive his benefit as lump sum or an annuity. If employment is not terminated, active contributing membership in MPERS shall resume and additional retirements benefits based on the additional service shall be available. MPERS provides an Initial Benefit Option to members who are eligible for regular retirement and have not participated in DROP. The program provides both a one-time single sum payment of up to 36 months of regular retirement benefit however the regular monthly retirement benefit is reduced for life. MPERS provides permanent benefit increases, cost of living adjustments (COLA) not to exceed 3% to all regular retirees, disability, survivors and beneficiaries. An additional 2% COLA is available to all who are 65 years old.

Note 14 - PENSION PLAN (Continued)

b) Municipal Police Employees' Retirement System (Continued)

Contributions. According to state statute, contribution requirements for all employers are actuarially determined each year. The actual employer contribution rate is determined July 1st each year and was 32.25% for the six month period ended June 30, 2019 and 32.50% for the six months ended year ended December 31, 2019.

In accordance with state statute, MPERS receives insurance premium tax monies as employer contributions. The tax is considered support from non-contributing entities.

Contributions to MPERS from the Town were \$48,341 for the year ended December 31, 2019.

Actuarial Assumptions. A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2018 are as follows:

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions	
Expected Remaining	
Service Lives	4 years
Investment Rate of Return	7.125%, net of investment expense
Inflation Rate	2.500%
Projected Salary Increases	
1-2 years of service	9.750%
3-23 years of service	4.750%
More than 23 years of service	4.250%
Mortality Rates	
Annuitant and Beneficiary	RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2029 by Scale AA (set back 1 year for females) for healthy annuitants and beneficiaries.
Employee	RP-2000 Employee Table set back 4 years for males and set back 3 years for females for active members.
Disabled Lives	RP-2000 Disabled Lives Table set back 5 years for males and set back 3 years for females for disabled annuitants.
Cost-of-Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

Note 14 - PENSION PLAN (Continued)

b) Municipal Police Employees' Retirement System (Continued)

Estimates of arithmetic nominal rates of return for each major asset class based included in MPERS' target allocation as of June 30, 2019 are as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	48.50%	3.28%
Fixed Income	33.50%	0.80%
Alternatives	18.00%	1.06%
Total	100.00%	5.14%
Inflation		2.75%
Expected Arithmetic Nominal Return		7.89%

Discount Rate. The discount rate used to measure the collective pension liability was 7.125%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by Public Employee Retirement System Administration of the Town taking into consideration the recommendation of the Fund's actuary. Based on those assumptions, MPERS's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 14 - PENSION PLAN (Continued)

b) Municipal Police Employees' Retirement System (Continued)

Sensitivity of the Town's Proportionate Share of the Collective Net Pension Liability to Changes in the Discount Rate. The following presents the Town's proportionate share of the collective net pension liability using the discount rate of 7.125%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.125%) or one percentage-point higher (8.125%) than the current rate:

	1.00% Decrease <u>(6.125%)</u>	Current Discount Rate <u>(7.125%)</u>	1.00% Increase <u>(8.125%)</u>
Town's proportionate share of the net pension liability	<u>\$443,780</u>	<u>\$318,503</u>	<u>\$213,409</u>

Pension Plan Fiduciary Net Position. The Municipal Employees Retirement System of Louisiana has issued a stand-alone audit report on their financial statements for the year ended June 30, 2019. Access to the report can be found at the Louisiana Legislative Auditor's website, www.lla.state.la.us.

c) Combined

Pension Liabilities. As of December 31, 2019, the Town reported a liability of \$1,265,651 (\$1,189,126 in governmental activities and \$76,525 in business-type activities) for its proportionate share of the net pension liabilities. The net pension liability was measured as of June 30, 2019 for the MERS and MPERS plans, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the Town's proportion was .226663% of MERS, which was a decrease of .03155% from its proportion measured as of June 30, 2018. At June 30, 2019, the Town's proportion was .035071% of MPERS, which was a decrease of .001009% from its proportion measured as of June 30, 2018.

Pension Expense. For the year ended December 31, 2019, the Town recognized pension expense of \$200,205, (\$204,697 governmental activities and \$(4,492) business type activities).

Note 14 - PENSION PLAN (Continued)

c) Combined (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. As of December 31, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 668	\$ (32,908)
Net difference between projected and actual earnings on pension plan investments	114,629	-
Changes in proportion	16,206	(82,170)
Changes in assumptions	41,782	-
Town contributions subsequent to the measurement date	89,908	-
	\$263,193	\$(115,078)

The Town reported \$89,908 as deferred outflows of resources related to pensions resulting from Town's contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Principal
2020	\$ 46,388
2021	(19,007)
2022	17,774
2023	13,052
Total	\$ 58,207

Note 15 - ON-BEHALF PAYMENTS FOR SUPPLEMENTAL PAY

The Town recognizes as revenues and expenditures salary supplements, which includes the police, which the State of Louisiana has paid directly to the Town's employees. As of December 31, 2019, the total on-behalf payments made amounted to \$27,000.

Note 16 - CONTINGENCIES

The Town received funding under grants from various Federal and state governmental agencies. The agency grants specify the purpose for which the grant monies are to be used; the grants are subject to audit by the granting agency or its representative.

As of December 31, 2019, the Town was defendant to a lawsuit. In the opinion of Town management, the ultimate outcome of these legal matters will not have a material adverse effect on the Town's financial position.

Note 17 - SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through May 12, 2020, which is the date the financial statements were available to be issued.

The recent global outbreak of the COVID-19 has raised concerns regarding business and the financial markets have recently experienced significant volatility. While the Town has been immediately impacted by the adverse conditions in the financial markets, the long term impact on the Town's operations is uncertain at this time.

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF CHANGES IN THE TOWN'S
TOTAL OPEB LIABILITY AND RELATED RATIOS**

**Town of Golden Meadow
Louisiana**

For the two years ended December 31, 2019

	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service cost	\$ 16,616	\$ 19,705
Interest	17,290	14,574
Difference between expected and actual experience	60,896	10,064
Changes in assumptions or other inputs	50,262	(25,278)
Benefit payments	<u>(20,518)</u>	<u>(19,448)</u>
Net change in total OPEB liability	124,546	(383)
Total OPEB liability, beginning of year	<u>413,412</u>	<u>413,795</u>
Total OPEB liability, end of year	<u>\$537,958</u>	<u>\$413,412</u>
Covered employee payroll	<u>\$789,358</u>	<u>\$766,367</u>
Total OPEB liability, as a percentage of covered employee payroll	<u>68.15%</u>	<u>53.94%</u>
Notes to schedule		
Changes in benefit terms:	None	None
Changes of assumptions and other inputs reflected the effects of changes in the discount rate each period - discount rate	<u>2.74%</u>	<u>4.10%</u>

The schedule is provided beginning with the Town's year ended December 31, 2018 and is intended to show a ten year trend. Additional years will be reported as they become available.

**SCHEDULE OF THE TOWN'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY - MERS**

Town of Golden Meadow

Louisiana

For the five years ended December 31, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	<u>0.226663%</u>	<u>0.258214%</u>	<u>0.248596%</u>	<u>0.234037%</u>	<u>0.227073%</u>
Town's proportionate share of the net pension liability	<u>\$947,148</u>	<u>\$1,069,181</u>	<u>\$1,039,982</u>	<u>\$959,250</u>	<u>\$811,140</u>
Town's covered employee payroll	<u>\$419,597</u>	<u>\$471,429</u>	<u>\$453,547</u>	<u>\$418,071</u>	<u>\$387,559</u>
Town's proportionate share of the net pension liability as a percentage of its covered employee payroll	<u>225.728%</u>	<u>226.796%</u>	<u>229.300%</u>	<u>229.447%</u>	<u>209.295%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>64.68%</u>	<u>65.60%</u>	<u>62.49%</u>	<u>62.11%</u>	<u>66.18%</u>

The schedule is provided beginning with the Town's year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

**SCHEDULE OF THE TOWN'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY - MPERS**

Town of Golden Meadow

Louisiana

For the five years ended December 31, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	<u>0.035071%</u>	<u>0.036080%</u>	<u>0.036591%</u>	<u>0.033803%</u>	<u>0.023926%</u>
Town's proportionate share of the net pension liability	<u>\$318,503</u>	<u>\$305,023</u>	<u>\$319,455</u>	<u>\$316,829</u>	<u>\$187,435</u>
Town's covered employee payroll	<u>\$104,044</u>	<u>\$106,477</u>	<u>\$109,235</u>	<u>\$94,689</u>	<u>\$63,998</u>
Town's proportionate share of the net pension liability as a percentage of its covered employee payroll	<u>306.123%</u>	<u>286.468%</u>	<u>292.447%</u>	<u>334.600%</u>	<u>292.876%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>71.01%</u>	<u>71.89%</u>	<u>70.08%</u>	<u>66.04%</u>	<u>70.73%</u>

The schedule is provided beginning with the Town's year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

SCHEDULE OF THE TOWN'S CONTRIBUTIONS - MERS**Town of Golden Meadow
Louisiana**

For the five years ended December 31, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 112,135	\$ 114,762	\$ 109,177	\$ 93,354	\$ 78,300
Contributions in relation to the contractually required contribution	<u>112,135</u>	<u>114,762</u>	<u>109,177</u>	<u>93,354</u>	<u>78,300</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered employee payroll	<u>\$ 417,022</u>	<u>\$ 452,851</u>	<u>\$ 459,410</u>	<u>\$ 438,340</u>	<u>\$ 396,455</u>
Contributions as a percentage of covered employee payroll	<u>26.89%</u>	<u>25.34%</u>	<u>23.76%</u>	<u>21.30%</u>	<u>19.75%</u>

The schedule is provided beginning with the Town's year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

SCHEDULE OF THE TOWN'S CONTRIBUTIONS - MPERS

**Town of Golden Meadow
Louisiana**

For the five years ended December 31, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 48,341	\$ 31,990	\$ 34,533	\$ 32,971	\$ 22,378
Contributions in relation to the contractually required contribution	<u>48,341</u>	<u>31,990</u>	<u>34,533</u>	<u>32,971</u>	<u>22,378</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered employee payroll	<u>\$ 149,154</u>	<u>\$ 101,566</u>	<u>\$ 110,512</u>	<u>\$ 107,632</u>	<u>\$ 73,663</u>
Contributions as a percentage of covered employee payroll	<u>32.41%</u>	<u>31.50%</u>	<u>31.25%</u>	<u>30.63%</u>	<u>30.38%</u>

The schedule is provided beginning with the Town's year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

SUPPLEMENTARY INFORMATION

COMPENSATION PAID TO MEMBERS OF THE TOWN COUNCIL**Town of Golden Meadow
Louisiana**

For the year ended December 31, 2019

2019			
<u>Name</u>	<u>Office</u>	<u>Compensation</u>	<u>Per Diem*</u>
Joey Bouziga	Mayor	\$ 55,664	\$ -
Ashton Cheramie	Councilman	-	6,612
Willis Toups	Councilman	-	6,335
Lindberg Lorraine	Councilman	-	6,612
Jody Cheramie	Councilman	-	5,509
Laci Latiolais	Councilwoman	-	6,612
Totals		<u>\$ 55,664</u>	<u>\$ 31,680</u>

* Per diem paid at the rate of \$551 for the regular monthly meeting. There are no additional per diem fees paid for attendance at special meetings of the Town.

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

**Town of Golden Meadow
Louisiana**

For the year ended December 31, 2019

Agency Head Name: Joey Bouziga, Mayor

Purpose

Salary	\$ 55,664
Benefits - insurance	235
Benefits - retirement	14,960
Benefits - other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Meals	-
	<hr/>
	<u>\$ 70,859</u>

STATISTICAL INFORMATION SECTION
(UNAUDITED)

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)

**Town of Golden Meadow
Louisiana**

Last Ten Years
(Unaudited)

<u>Year</u>	<u>General Government</u>	<u>Public Safety Police</u>	<u>Streets and Highways</u>	<u>Sanitation</u>	<u>Drainage and Levee</u>	<u>Culture and Recreation</u>	<u>Debt Service</u>	<u>Totals</u>
2010	\$513,738	\$565,486	\$216,896	\$16,162	\$157,377	\$172,639	\$37,930	\$1,680,228
2011	\$307,029	\$578,796	\$231,686	\$20,270	\$155,908	\$164,602	\$60,815	\$1,519,106
2012	\$374,422	\$593,862	\$195,676	\$21,154	\$146,089	\$158,468	\$65,290	\$1,554,961
2013	\$297,280	\$623,850	\$233,328	\$9,259	\$164,129	\$152,073	\$52,124	\$1,532,043
2014	\$357,176	\$590,497	\$256,058	\$14,290	\$157,039	\$133,899	\$31,714	\$1,540,673
2015	\$361,372	\$616,383	\$211,608	\$13,475	\$191,114	\$147,890	\$271,706	\$1,813,548
2016	\$388,930	\$640,895	\$244,840	\$16,654	\$175,335	\$153,087	\$24,816	\$1,644,557
2017	\$384,995	\$666,613	\$243,600	\$12,550	\$179,739	\$152,002	\$24,612	\$1,664,111
2018	\$425,646	\$715,293	\$251,508	\$16,412	\$148,888	\$135,663	\$24,612	\$1,718,022
2019	\$423,684	\$701,513	\$236,131	\$14,389	\$115,973	\$155,822	\$24,612	\$1,672,124

Note:

(1) Includes General, Debt Service, and Capital Projects Funds (amounts do not include the Capital Outlay expenditures of the funds).

GENERAL GOVERNMENTAL REVENUE BY SOURCE (1)**Town of Golden Meadow
Louisiana**Last Ten Years
(Unaudited)

<u>Year</u>	<u>Taxes</u>	<u>Fines and Forfeitures</u>	<u>Intergovernmental Revenues</u>	<u>License, Permits, and Franchises</u>	<u>Charges for Services</u>	<u>Investment Income</u>	<u>Miscellaneous Revenues</u>	<u>Totals</u>
2010	\$729,974	\$605,826	\$1,052,476	\$183,682	\$59,077	\$9,178	\$123,602	\$2,763,815
2011	\$760,773	\$585,627	\$188,949	\$174,574	\$43,658	\$6,141	\$46,418	\$1,806,140
2012	\$942,948	\$636,782	\$172,392	\$167,472	\$47,143	\$6,429	\$616,060	\$2,589,226
2013	\$1,185,760	\$598,663	\$1,371,251	\$186,690	\$52,605	\$4,914	\$56,014	\$3,455,897
2014	\$1,253,213	\$516,041	\$828,899	\$197,099	\$66,227	\$3,374	\$38,985	\$2,903,838
2015	\$1,100,132	\$902,182	\$703,371	\$223,042	\$53,440	\$5,634	\$71,550	\$3,059,351
2016	\$986,562	\$603,041	\$1,593,350	\$182,833	\$49,325	\$12,796	\$30,078	\$3,457,985
2017	\$816,086	\$770,925	\$688,454	\$164,595	\$57,589	\$24,783	\$57,041	\$2,579,473
2018	\$913,069	\$925,526	\$119,916	\$159,045	\$47,004	\$56,513	\$34,987	\$2,256,060
2019	\$1,000,069	\$660,531	\$434,997	\$170,181	\$53,944	\$74,932	\$28,793	\$2,423,447

Note:

(1) Includes General, Debt Service, and Capital Projects Fund.

PROPERTY TAX LEVIES AND COLLECTIONS

Town of Golden Meadow
Louisiana

Last Ten Years
(Unaudited)

<u>Year</u>	<u>Total Tax Levy</u>	<u>Current Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percent of Delinquent Taxes to Tax Levy</u>
2010	\$194,029	\$181,698	93.6%	\$3,338	\$185,036	95.4%	\$8,993	4.6%
2011	\$186,174	\$171,924	92.3%	\$2,714	\$174,638	93.8%	\$11,536	6.2%
2012	\$186,466	\$166,189	89.1%	\$6,785	\$172,974	92.8%	\$13,492	7.2%
2013	\$201,673	\$149,030	73.9%	\$10,673	\$159,703	79.2%	\$41,970	20.8%
2014	\$195,138	\$144,060	73.8%	\$44,781	\$188,841	96.8%	\$6,297	3.2%
2015	\$213,815	\$172,037	80.5%	\$37,161	\$209,198	97.8%	\$4,617	2.2%
2016	\$200,884	\$120,911	60.2%	\$78,573	\$199,484	99.3%	\$1,400	0.7%
2017	\$193,202	\$146,154	75.6%	\$44,256	\$190,410	98.6%	\$2,792	1.4%
2018	\$192,901	\$98,222	50.9%	\$93,201	\$191,423	99.2%	\$1,478	0.8%
2019	\$192,707	\$147,152	76.4%	\$0	\$147,152	76.4%	\$45,555	23.6%

PRINCIPAL TAXPAYERS**Town of Golden Meadow**
LouisianaDecember 31, 2019
(Unaudited)

Taxpayer	Type of Business	2019 Assessed Valuation	Percentage of Total Assessed Valuation
Texas Petroleum Investments	Oil & Gas	\$ 939,710	10.39%
State Bank & Trust Co.	Bank	656,630	7.26%
Lafourche Telephone Co.	Telephone	568,850	6.29%
Leboeuf Properties	Supermarket	277,300	3.07%
United Community Bank	Bank	209,640	2.32%
Frank's Supermarket	Supermarket	165,140	1.83%
LA Shrimp and Processing	Equipment	186,520	2.06%
MB Unlimited	Convenience Store	180,650	2.00%
The Vindez Corporation (Dollar General)	Retail	115,250	1.27%
Entergy	Electric	81,080	0.90%
Totals		\$ 3,380,770	37.40%

**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED
VALUE AND NET BONDED DEBT PER CAPITA**

Town of Golden Meadow

Louisiana

Last Ten Years

(Unaudited)

<u>Year</u>	<u>Population</u>	<u>Assessed Value</u>	<u>Gross Bonded Debt</u>	<u>Debt Service Monies Available</u>	<u>Net Bonded Debt</u>	<u>Percent of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capital</u>
2010	2,385	\$9,173,900	\$256,348	\$344	\$256,004	2.79%	117.27
2011	2,183	\$8,802,570	\$253,777	\$14,400	\$239,377	2.72%	109.16
2012	2,193	\$8,816,370	\$251,085	\$14,400	\$236,685	2.68%	112.65
2013	2,101	\$9,535,360	\$248,259	\$14,400	\$233,859	2.45%	112.92
2014	2,071	\$9,226,370	\$245,305	\$14,400	\$230,905	2.50%	111.23
2015	2,076	\$10,109,430	-	-	-	0.00%	-
2016	2,060	\$9,497,770	-	-	-	0.00%	-
2017	2,038	\$9,134,570	-	-	-	0.00%	-
2018	2,000	\$9,056,370	-	-	-	0.00%	-
2019	2,000	\$9,041,100	-	-	-	0.00%	-

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES**

**Town of Golden Meadow
Louisiana**

Last Ten Years
(Unaudited)

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Expenditures*</u>	<u>Ratio of Debt Service to Total General Expenditures</u>
2010	\$1,652	\$9,188	\$10,840	\$1,680,228	0.6%
2011	\$2,571	\$11,485	\$14,056	\$1,519,106	0.9%
2012	\$2,692	\$11,364	\$14,056	\$1,554,961	0.9%
2013	\$2,826	\$11,230	\$14,056	\$1,532,043	0.9%
2014	\$2,954	\$11,102	\$14,056	\$1,540,673	0.9%
2015	\$245,305	\$3,933	\$249,238	\$1,813,548	13.7%
2016	\$0	\$0	\$0	\$1,644,557	0.0%
2017	\$0	\$0	\$0	\$1,664,111	0.0%
2018	\$0	\$0	\$0	\$1,718,022	0.0%
2019	\$0	\$0	\$0	\$1,672,124	0.0%

* Includes General Fund, Debt Service Fund (amounts do not include the Capital Outlay expenditures of the funds).

MISCELLANEOUS STATISTICS

Town of Golden Meadow
Louisiana

December 31, 2019
(Unaudited)

Date of incorporation	July 17, 1950
Form of government	Mayor - Council
Area	4 square miles
Miles of street	11.5
Number of street lights	419
Fire protection: (volunteer firemen)	
Number of stations	2
Number of firemen	30
Police protection:	
Number of stations	1
Number of policemen and officers	4
Municipal sewer department:	
Number of consumers - December 31, 2017	378
Recreation and culture:	
Number of parks	1 with 40 acres
Number of libraries	1
Employees:	
Excluding policemen and summer pool workers	9

Table 8

INSURANCE IN FORCE**Town of Golden Meadow**
LouisianaDecember 31, 2019
(Unaudited)

Name of Insurer	Policy Period		Details of Coverage	Amount
	From	To		
Lloyd's of London	7/21/2019	7/21/2020	Commercial property Multi-Purpose Building and Emergency Center Tenant improvements and betterments Wind/Hail Named Storm	\$1,900,000 \$50,000 \$25,000 3% or \$50,000
Continental Insurance Company	12/21/2019	12/21/2022	Public Employee's Blanket Bond	\$10,000
Travelers Casualty and Surty	1/1/2017	1/1/2021	Public Official's Bond - Chief of Police	\$5,000
CNA Surety	12/1/2019	12/1/2020	Official Bond and Oath-Town Clerk	\$10,000
Western Surety Company	10/1/2019	10/1/2019	Public Official's Bond - Mayor and Town Council Members	\$10,000
Louisiana Municipal Risk Management Agency	1/1/2019	1/1/2020	Workmen's Compensation	LA Statutes
Lloyd's/Lane & Associates	3/6/2019	3/6/2020	Automobile Collision/Comprehension - Various Autos Total (actual CV for cost of repair/replacement, whichever is less) Deductible - specified perils Deductible - collision	\$242,466 \$250 \$250
Scottsdale Insurance Company	2/11/2019	2/11/2020	Commercial Inland Marine Coverage - Equipment Total Physical damage Deductible	\$223,881 \$250
Lloyd's of London	11/20/2019	11/20/2020	DMV Building 80% Replacement Cost 80% Contents Deductible Wind and Hail - 5% deductible	\$151,700 \$52,000 \$2,500
Wright National Flood	12/19/2019	12/19/2020	Flood Insurance DMV Building Contents Deductible	\$200,000 \$100,000 \$1,250
Wright National Flood	8/20/2019	8/20/2020	Flood Insurance Town Hall-Building Town Hall-Contents Deductible	\$500,000 \$100,000 \$2,000
Wright National Flood	8/26/2019	8/26/2020	Flood Insurance Senior Citizen-Building Senior Citizen-Contents Deductible	\$100,000 \$50,000 \$1,000

**Table 8
(Continued)**

Name of Insurer	Policy Period		Details of Coverage	Amount
	From	To		
St. Paul Travelers P&C	1/7/2019 - 1/7/2020		Water Pumping Station - Dursette Street Limit per accident Spoilage Deductible	\$2,500,000 \$25,000 \$2,500
Louisiana Citizens Property	8/25/2019 - 8/25/2020		Commercial Fire, Wind and Hail - 80% Deductible 80% Co-Insurance Wind and Hail - 5% deductible Swimming Pool Bathhouse Town Maintenance Building Pumping Station Park - Dressing/Restrooms Senior Citizens Building Senior Citizens Ceramic Shop Pavilion	\$2,500 \$75,000 \$45,000 \$15,000 \$40,000 \$90,000 \$15,000 \$60,000
Louisiana Municipal Risk Management Agency Liability Pool	5/1/2019 - 5/1/2020		Comprehensive Liability Coverage under the LMA Plan: 1 Comprehensive General Liability Medical Payments: Deductible - per person Deductible - per accident Deductible - per occurrence 2 Automobile Liability Deductible 3 Law Enforcement Officers' Comprehensive Liability Deductible 4 Public Official's Errors and Omissions Liability Deductible	\$500,000 \$1,000 \$10,000 \$50,000 \$500,000 \$ - \$500,000 \$1,000 \$500,000 \$1,000
Burns and Wilcox, Limited	5/5/2019 - 5/5/2020		Electronic Data Processing Equipment All Risks Covered Deductible	\$14,600 \$5,000
Southern Cross Underwriters	11/12/2019 - 11/12/2020		Commercial Property Maintenance Building Cover Over Fuel Tank Deductible 80% Co-Insurance Wind and Hail - 5% deductible	\$100,000 \$30,000 \$2,500

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

**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**

To the Honorable Joey Bouziga, Mayor
and Members of the Town Council,
Town of Golden Meadow,
Golden Meadow, Louisiana.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Golden Meadow, Louisiana (the "Town") as of and for the year ended December 31, 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 May 12, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit, 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.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be a material weakness. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants.

Houma, Louisiana,
May 12, 2020.

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

To the Honorable Joey Bouziga, Mayor
and Members of the Town Council,
Town of Golden Meadow,
Golden Meadow, Louisiana.

Compliance

We have audited the compliance of the Town of Golden Meadow, Louisiana (the "Town") with the types of compliance requirements described in the *OMB Compliance Supplement*, that could have a direct and material effect on the Town's major federal program for the year ended December 31, 2019. The Town's major federal program is 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 requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on the compliance for the Town's major federal program 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 the major federal program. However, our audit does not provide a legal determination on the Town's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2019.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the *Uniform Guidance* and which is described in the accompanying schedule of findings and questioned costs as item 2019-001. Our opinion on the major federal program is not modified with respect to this matter.

The Town's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the auditing procedures applied in the audit of compliance and accordingly, we express no opinion on the response.

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 requirement referred to above. In planning and performing our audit, 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 in order to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each federal major program and to test and report on internal control over compliance in accordance with *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 that 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 in this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control over compliance, as described in the schedule of findings and questioned costs as item 2019-001 that we consider to be a material weakness.

The Town's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the auditing procedures applied in the audit of compliance and accordingly, we express no opinion on the response.

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 *Uniform Guidance*. Accordingly, this report is not suitable for any other purpose.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
May 12, 2020.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Town of Golden Meadow
Louisiana**

For the year ended December 31, 2019

<u>Federal Grantor/ Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Award/ Pass-Through Entity Identifying Number</u>	<u>Provided To Subrecipients</u>	<u>Federal Federal</u>
U.S. Department of Commerce:				
Economic Development Administration Public Works and Economic Adjustment Assistance 2008 Disaster Supplement #2	11.307	08-79-05120		<u>\$ 52,256</u>
U.S. Department of Housing and Urban Development:				
Pass-through: State of Louisiana Division of Administration Office of Community Development CDBG Disaster Recovery Municipalities Infra- structure Program	14.269	29 MIPC 2301		<u>498,273</u>
U.S. Environmental Protection Agency: Congressionally Mandated Projects	66.202	XP-00F72601		<u>143,642</u>
U.S. Department of Homeland Security:				
Pass-through: State of Louisiana Department of Homeland Security Disaster Grants- Public Assistance Hurricane Issac Hazard Mitigation Grant Hurricane Gustav	97.036	4080-PA-LA		77,122
	97.039	FEMA-1603-DRA-331		<u>184,882</u>
Total U.S. Department of Homeland Security				<u>262,004</u>
Totals			<u>\$ -</u>	<u>\$956,175</u>

See notes to schedule of expenditures of federal awards.

**NOTES TO THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS**

**Town of Golden Meadow
Louisiana**

For the year ended December 31, 2019

Note 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the SEFA) includes the federal award activity of the Town under programs of the federal government for the year ended December 31, 2019. The information in this SEFA is presented in accordance with the requirements of Title 2 U.S. Code of *Federal Regulations* Part 200, *Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the SEFA presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (1) Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the *Uniform Guidance*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) The Town has elected not to use the 10% *de minimis* indirect cost rate as allowed under the *Uniform Guidance*.

Note 3 - FINDINGS OF NONCOMPLIANCE

There was federal award findings or questioned costs reported, item 2019-001, during the audit of the financial statements for the year ended December 31, 2019.

Note 4 - NONCASH ASSISTANCE

No Federal awards were expended in the form of noncash assistance during the fiscal year.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Town of Golden Meadow
Louisiana

For the year ended December 31, 2019

Section I - Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are
not considered to be a material weakness? Yes None reported

Noncompliance material to financial statements noted? Yes No

b) Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are
not considered to be a material weakness Yes None reported

Type of auditor's report issued on compliance for major program unmodified

- Any audit findings disclosed that are required
to be reported in accordance with Uniform
Guidance Requirements? Yes No

Section I - Summary of Auditor's Results (Continued)

c) Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.269	Community Development Block Grants/Disaster Recovery Municipalities Infrastructure Program

Dollar threshold used to distinguish
between Type A and Type B programs: \$750,000

Auditee qualified as a low-risk auditee? ___ Yes X No

Section II - Financial Statement Findings

No financial statement findings were noted during the audit for the year ended December 31, 2019.

Section III - Federal Award Findings and Questioned Costs

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

2019-001 Community Development Block Grant, Municipalities Infrastructure Program, CFDA 14.269, Grant No. 29 MIPC 2301, Pass through Louisiana Division of Administration Office of Community Development

Criteria and Condition: Executive Order 12549, 24CFR 85.35. 2 CFR 200.212 and Section 6, Part 14.0 of the OCD-DRUCDBG-DR Grant Administrative Manual, calls for a contractor's status to be reviewed prior to a contract being awarded to ensure that the contractor is not debarred, suspended or otherwise excluded from - or ineligible - for participation in federal assistance programs. It was noted in an MIP Monitor's Review conducted in May 2019 that the Town entered an administrative services contract with the South Central Planning and Development Commission in August 2010. The contract file did not include sufficient evidence of a contractor clearance being performed prior to the awarding of the contract.

Context: This appears to be an isolated incidence limited to the service contract.

Cause: The Town did not have policies and procedures in place for adhering to federal regulations relating to service contracts.

Section III - Federal Award Findings and Questioned Costs (Continued)

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (Continued)

2019-001 Community Development Block Grant, Municipalities Infrastructure Program, CFDA 14.269, Grant No. 29 MIPC 2301, Pass through Louisiana Division of Administration Office of Community Development (Continued)

Effect: Without performing contractor clearance the Town cannot be reasonably assured it is not engaging with a debarred entity. Consequently, any funds paid to a debarred entity are not eligible for reimbursement. Subsequent search for debarment and suspension did not reveal the South Central Planning and Development Commission to be debarred or suspended from participating in federal assistance programs therefore there are no questioned fees paid the South Central Planning and Development Commission over the course of the contract.

Recommendation: Policies, procedures and controls surrounding contractor eligibility should be strengthened. For any future federal assistance program requiring an administrative services contract, the Town must take appropriate measures to ensure contractor clearance is performed prior to awarding a contract. Evidence of the clearance procedures performed should be maintained in the contract file.

Views of Responsible Officials: The Town agrees with the finding, see Management's Corrective Plan for further descriptions of corrective actions to be taken.

REPORTS BY MANAGEMENT

**SCHEDULE OF PRIOR YEAR
FINDINGS AND QUESTIONED COSTS**

**Town of Golden Meadow
Louisiana**

For the year ended December 31, 2019

Section I - Internal Control and Compliance Material to the Basic Financial Statements

Internal Control

No material weaknesses were noted during the audit for the year ended December 31, 2018.

No significant deficiencies were reported during the audit for year ended December 31, 2018.

Compliance and Other Matters

No compliance findings material to the basic financial statements were noted during the audit for the year ended December 31, 2018.

Section II - Internal Control and Compliance Material to Federal Awards

No internal control or compliance findings material to Federal Awards were noted during the audit for the year ending December 31, 2018.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2018

MANAGEMENT'S CORRECTIVE ACTION PLAN

Town of Golden Meadow Louisiana

For the year ended December 31, 2019

Section I - Internal Control and Compliance Material to the Basic Financial Statements

Internal Control

No material weaknesses were noted during the audit for the year ended December 31, 2019.

No significant deficiencies were reported during the audit for year ended December 31, 2019.

Compliance and Other Matters

No compliance findings material to the basic financial statements were noted during the audit for the year ended December 31, 2019.

Section II - Internal Control and Compliance Material to Federal Awards

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

2019-001 Community Development Block Grant, Municipalities Infrastructure Program, CFDA 14.269, Grant No. 29 MIPC 2301, Pass through Louisiana Division of Administration Office of Community Development

Recommendation: Policies, procedures and controls surrounding contractor eligibility should be strengthened. For any future federal assistance program requiring an administrative services contract, the Town must take appropriate measures to ensure contractor clearance is performed prior to awarding a contract. Evidence of the clearance procedures performed should be maintained in the contract file.

Corrective Action: The Town was not aware administrative service contractors were required to be checked for debarment and suspension. We have attended many hours of training which led us to believe clearance requirements applied to prime construction contractors. We have checked subcontractors and administrative service contractors clearance on any federally funded projects to ensure compliance.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2019.

STATEWIDE AGREED-UPON PROCEDURES

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING STATEWIDE AGREED-UPON PROCEDURES

To the Honorable Joey Bouziga, Mayor
and Members of the Town Council,
Town of Golden Meadow,
Golden Meadow, Louisiana.

We have performed the procedures described in Schedule 1, which were agreed to by the Town of Golden Meadow, State of Louisiana (the "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 year ended December 31, 2019. The Town's management is responsible for those C/C areas identified in the SAUPs.

This SAUPs engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants and the applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 referred to above, either for the purpose for which this report has been requested, or for any other purpose.

The procedures and associated findings are described in Schedule 1.

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 these 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 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 23:513, this report is distributed by the LLA as a public document.

Bourgeois Bennett, L.L.C.

Certified Public Accountants

Houma, Louisiana,
May 12, 2020.

SCHEDULE OF PROCEDURES AND ASSOCIATED FINDINGS
OF THE STATEWIDE AGREED-UPON PROCEDURES

Town of Golden Meadow
Louisiana

For the year ended December 31, 2019

The required procedures and our findings are as follows:

Procedures Performed on the Town's Written Policies and Procedures:

1. Obtain the Town's written policies and procedures and report whether those written policies and procedures address each of the following categories and subcategories:
 - a) Budgeting, including preparing, adopting, monitoring, and amending the budget.

Performance: Obtained and read the written policy for budgeting, and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
 - 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.

Performance: Obtained and read the written policy for purchasing, and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
 - c) Disbursements, including processing, reviewing, and approving.

Performance: Obtained and read the written policy for disbursements, and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

Procedures Performed on the Town's Written Policies and Procedures: (Continued)

- d) Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, traffic ticket number sequences).

Performance: Obtained and read the written policy for receipts, and found it to address all the functions listed above, except as noted below.

Exceptions: Management's policy of receipts/collections does not include management's actions to determine the completeness of each type of revenue or agency fund addition.

- e) Payroll/Personnel, including (1) payroll processing; and (2) reviewing and approving time and attendance records, including leave and overtime worked.

Performance: Obtained and read the written policy for payroll and personnel, and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

- 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.

Performance: Obtained and read the written policy for contracting, and found it to address all functions listed above.

Exceptions: There were no exceptions noted.

- 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).

Performance: Obtained and read the written policy for credit cards, and found it to address all functions listed above.

Exceptions: There were no exceptions noted.

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

Performance: Obtained and read the written policy for travel and expense reimbursement, and found it to address all functions listed above.

Exceptions: There were no exceptions noted.

Procedures Performed on the Town's Written Policies and Procedures: (Continued)

- 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 Town's ethics policy.

Performance: Obtained and read the written policy for ethics, and found it to address all functions listed above, except as noted below.

Exceptions: Management's policy on ethics does not include the requirement that all employees, including elected officials, annually attest through signature verification that they have read the Town'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.

Performance: Inquired to management regarding their debt service policy. Currently the Town does not have debt issuances outstanding and no debt service policy.

Exceptions: The Town should adopt a debt service policy that meets the above requirements to ensure future debt issuances are in accordance with state law.

- 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 and (5) timely application of all available system software patches/updates and (6) identification of personnel, processes and tools needed to recover operations after a critical event.

Performance: Obtained and read the written policy for disaster recovery/business continuity, and found it to address all functions listed above.

Exceptions: There were no exceptions noted.

Procedures Performed on the Town's Council:

- 2. Obtain and inspect the council/committee minutes for the fiscal period, as well as the council's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period and:

- a) Observe that the council met with a quorum at least monthly, or on a frequency in accordance with the council's enabling legislation, charter, or other equivalent document.

Performance: Obtained and read the written minutes of the council meetings.

Exceptions: There were no exceptions noted.

Procedures Performed on the Town's Council: (Continued)

- b) Observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

Performance: Obtained and read the written minutes of the council meetings.

Exceptions: There were no exceptions noted.

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

Performance: Obtained the prior year's audit report and observed the unrestricted fund balance in the general fund.

Exceptions: There were no exceptions noted.

Procedures Performed on the Town's Bank Reconciliations:

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

Performance: Obtained the listing of bank accounts from management, and received management's representation in a separate letter. Selected December 2018 from the fiscal period, and obtained the corresponding bank statement and reconciliation for the Town's main operating account and four additional accounts.

Exceptions: There were no exceptions noted.

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

Performance: Observed that bank reconciliations were prepared within two months of the related statement closing date.

Exceptions: There were no exceptions noted.

Procedures Performed on the Town's Bank Reconciliations: (Continued)

- b) Bank reconciliations include evidence that a member of management or a council member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Performance: Observed that a member of management or a council member reviewed each bank reconciliation.

Exceptions: There were no exceptions noted.

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

Performance: Inspected documents for items outstanding for more than twelve months. In our observation, we noted a bank account with one check that was outstanding for longer than twelve months.

Exceptions: Management confirmed that the amount of the outstanding check was deemed insignificant and was not researched.

Procedures Performed on the Town's Collections:

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/check/money order (cash) are prepared and management's representation that the listing is complete. Select five deposit sites (or all deposit sites if less than five).

Performance: Obtained the listing of deposit sites from management, and received management's representation in a separate letter. The Town has one deposit site.

Exceptions: There were no exceptions noted.

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

Performance: Obtained the listing of collection locations from management, and received management's representation in a separate letter. The Town has one deposit site with one collection location.

Exceptions: There were no exceptions noted.

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

Performance: Inspected policy manuals and inquired of management and observed employees do not share cash drawers/registers.

Exceptions: There were no exceptions noted.

Procedures Performed on the Town's Collections: (Continued)

- b) Each employee responsible for collection cash is not responsible for preparing/making bank deposits, unless other employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

Performance: Inspected policy manuals and inquired of management and observed employees collecting cash are not responsible for making deposits.

Exceptions: There were no exceptions noted.

- 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.

Performance: Inspected policy manuals and inquired of management and observed employees collecting cash do not make general ledger postings.

Exceptions: There were no exceptions noted.

- 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.

Performance: Inspected policy manuals and inquired of management and employees performing reconciliations do not collect cash.

Exceptions: There were no exceptions noted.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Performance: Obtained a listing of all employees who have access to cash and inquired of management if these employees are covered by a bond or insurance policy for theft.

Exceptions: There were no exceptions noted.

7. Select two deposit dates for each of the five bank accounts selected for procedure #3 under "Procedures performed on the Town's bank reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates selected and select a deposit if multiple deposits were made on the same day). Obtain supporting documentation for each of the ten deposits and:

- a) Observe that receipts are sequentially pre-numbered.

Performance: Obtained supporting documentation for the ten selected deposits and observed that receipts were sequentially pre-numbered.

Exceptions: There were no exceptions noted.

Procedures Performed on the Town's Collections: (Continued)

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Performance: Traced supporting documentation to the deposit slip.

Exceptions: There were no exceptions noted.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

Performance: Traced deposit slip total to actual deposit per bank statement.

Exceptions: There were no exceptions noted.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than ten miles from the collection location or the deposit is less than \$100).

Performance: Observed that the deposit was made within one business day of receipt.

Exceptions: There were no exceptions noted.

- e) Trace the actual deposit per the bank statement to the general ledger.

Performance: Traced the actual deposit per the bank statement to the general ledger.

Exceptions: There were no exceptions noted.

Procedures Performed on the Town's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases):

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

Performance: Obtained the listing of location that process payments, and received management's representation in a separate letter. The Town only has one location that processes payments.

Exceptions: There were no exceptions noted.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the Town has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

Performance: Obtained a listing of those employees involved with non-payroll purchasing and payments functions, and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

Procedures Performed on the Town's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases): (Continued)

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Performance: Inspected policy manuals and inquired of management and employees as to requirement listed above.

Exceptions: There were no exceptions noted.

- b) At least two employees are involved in processing and approving payments to vendors.

Performance: Inspected policy manuals and inquired of management and employees as to requirement listed above.

Exceptions: There were no exceptions noted.

- c) The employees responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

Performance: Inspected policy manuals and inquired of management and employees as to requirement listed above.

Exceptions: There were no exceptions noted.

- 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.

Performance: Inspected policy manuals and inquired of management and employees as to requirement listed above.

Exceptions: There were no exceptions noted.

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

Performance: Obtained the Town's general ledger for the fiscal period, and obtained management's representation in a separate letter.

Exceptions: There were no exceptions noted.

- a) Observe that the disbursement matched the related original invoice/billing statement.

Performance: Obtained the disbursement and observed that the disbursement and the related original invoice/billing statement were in agreement.

Exceptions: There were no exceptions noted.

Procedures Performed on the Town's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases): (Continued)

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

Performance: Obtained the disbursement documentation and observed for proper segregation of duties as listed under #9 above.

Exceptions: There were no exceptions noted.

Procedures Performed on the Town's Credit Cards, Debit Cards, Fuel Cards, P-cards:

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

Performance: Obtained a listing of all active credit cards, bank debit cards, fuel cards, and P-cards from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

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

- a) Observe 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.

Performance: Obtained February 2019 statement along with supporting documentation and observed for proper approval. The Town only has one credit card.

Exceptions: There were no exceptions noted.

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

Performance: Obtained February 2019 statement and observed for finance charges and/or late fees.

Exceptions: There were no exceptions noted.

**Procedures Performed on the Town's Credit Cards, Debit Cards, Fuel Cards, P-cards:
(Continued)**

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, select ten transactions (or all transactions if less than ten) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have ten transactions subject to testing).

a) For each transaction, report whether the transaction is supported by:

1) An original itemized receipt that identifies precisely what was purchased.

Performance: Traced each transaction to an original itemized receipt.

Exceptions: There were no exceptions noted.

2) Written documentation of the business/public purpose.

Performance: Observed supporting documentation for evidence of business/public purpose.

Exceptions: There were no exceptions noted.

3) Documentation of the individuals participating in meals (for meal charges only).

Performance: For meal charges, observed supporting documentation for evidence of the individuals participating in meals.

Exceptions: There were no exceptions noted.

Procedures Performed on the Town's Travel and Travel-Related Expense Reimbursements:

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

Performance: Obtained a list of all travel and travel related expense reimbursement, and received management's representation in a separate letter. The Town had two travel related reimbursements, otherwise the Town's credit card was used for travel.

Exceptions: There were no exceptions noted.

a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Performance: Inquired about reimbursements made using a per diem. There was no one reimbursed using a per diem.

Exceptions: There were no exceptions noted.

**Procedures Performed on the Town's Travel and Travel-Related Expense Reimbursements:
(Continued)**

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

Performance: Obtained the supporting documentation for the selected reimbursements.

Observed that the reimbursement was supported by original itemized receipt.

Exceptions: There were no exceptions noted.

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

Performance: Obtained the supporting documentation for the selected reimbursements.

Observed that each reimbursement has evidence of documentation of the business/public purpose and other documentation required by written policy.

Exceptions: There were no exceptions noted.

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

Performance: Obtained the supporting documentation for the prior selected reimbursements. Observed that each reimbursement was reviewed and approved by someone other than the person receiving the reimbursement.

Exceptions: There were no exceptions noted.

Procedures Performed on the Town's Contracts:

15. Obtain 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. Obtain management's representation that the listing is complete. Select five contracts (or all contracts if less than five) from the listing, and:

Performance: Prior year testing resulted in no exceptions related to the Town's ethics.

Therefore testing was not required in the current year.

Exceptions: Not applicable.

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Performance: Prior year testing resulted in no exceptions related to the Town's ethics.

Therefore testing was not required in the current year.

Exceptions: Not applicable.

Procedures Performed on the Town's Contracts: (Continued)

- b) Observe that the contract was approved by the Town Council, if required by policy or law (e.g., Lawson Act, Home Rule Charter).
Performance: Prior year testing resulted in no exceptions related to the Town's ethics.
Therefore testing was not required in the current year.
Exceptions: Not applicable.

- c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment.
Performance: Prior year testing resulted in no exceptions related to the Town's ethics.
Therefore testing was not required in the current year.
Exceptions: Not applicable.

- d) Select one payment from the fiscal period for each of the five contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.
Performance: Prior year testing resulted in no exceptions related to the Town's ethics.
Therefore testing was not required in the current year.
Exceptions: Not applicable.

Procedures Performed on the Town's Payroll and Personnel:

- 16. Obtain a listing of employees (and elected officials, if applicable) during the fiscal period and management's representation that the listing is complete. Select five employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
Performance: Obtained the listing of employees with their related salaries from management, and received management's representation in a separate letter. Selected five employees and agreed paid salaries to authorized salaries/pay rates per the personnel files
Exceptions: There were no exceptions noted.

- 17. Select one pay period during the fiscal period. For the five employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
Performance: Inspected daily attendance and leave records for proper documentation.
Exceptions: There were no exceptions noted.

Procedures Performed on the Town's Payroll and Personnel: (Continued)

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

Performance: Inspected attendance and leave records for proper approval.

Exceptions: There were no exceptions noted.

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

Performance: Obtained cumulative leave records and observed that any leave accrued or taken during selected pay period is included.

Exceptions: There were no exceptions noted.

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

Performance: Obtained a listing of employees that terminated during the period from management and management's representation in a separate letter. Selected two employees and obtained their personnel file. Traced hours and pay rates used in management's termination calculation to cumulative leave records and pay rates per the personnel file.

Exceptions: There were no exceptions noted.

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

Performance: Obtained management's representation that payroll related taxes and benefits have been paid and forms filed by the required deadline in a separate letter.

Exceptions: There were no exceptions noted.

Procedure Performed on the Town's Ethics:

20. Using the five selected employees/officials from procedure #16 under "Procedures performed on the Town's payroll and personnel" above, obtain ethics compliance documentation from management and:

Procedure Performed on the Town's Ethics: (Continued)

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

Performance: Prior year testing resulted in no exceptions related to the Town's ethics.

Therefore testing was not required in the current year.

Exceptions: Not applicable.

- b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the Town's ethics policy during the fiscal period.

Performance: Prior year testing resulted in no exceptions related to the Town's ethics.

Therefore testing was not required in the current year.

Exceptions: Not applicable.

Procedures Performed on the Town's Debt Service:

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

Performance: Inquired about bonds/notes issued during the fiscal period. There were no bonds/notes issued.

Exceptions: There were no exceptions noted.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Performance: Inquired about bonds/notes issued during the fiscal period. There were no bonds/notes issued.

Exceptions: There were no exceptions noted.

Other Procedures Performed on the Town:

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

Performance: Inquired of management of any misappropriations of public funds or assets.

Exceptions: There were no exceptions noted.

Other Procedures Performed on the Town:

24. Observe and report whether the Town has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Performance: Inquired and observed such notice posted in the premises.

Exceptions: There were no exceptions noted.

Management's Overall Response to Exceptions

1. As a response to the exception at item 1d), management will consider adding action to the policy to determine the completeness of each type of revenue or agency fund addition.
2. As a response to the exception at item 1i), management will consider adding action to the ethics policy to require an annual attest through signature verification that employees and officials have read the Town's ethics policy.
3. As a response to the exception at item 1j), management will consider developing and adopting a debt service policy.
4. As a response to the exception at item 3c), management will research and take appropriate action to clear long outstanding checks on the bank reconciliation.

Financial Report

Town of Golden Meadow
Louisiana

December 31, 2019

