

**TOWN OF CHURCH POINT, LOUISIANA**

Financial Report

Year Ended September 30, 2019

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Ryan Meche, Mayor  
and Members of the Board of Aldermen  
Town of Church Point, Louisiana

### Report on the Financial Statements

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

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

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

## ***Opinions***

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

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 37 through 42 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Church Point, Louisiana's basic financial statements. The other supplementary information on pages 44 through 56 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2020, on our consideration of the Town of Church Point, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
January 16, 2020

## **BASIC FINANCIAL STATEMENTS**

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



TOWN OF CHURCH POINT, LOUISIANA

Statement of Net Position  
September 30, 2019

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and interest-bearing deposits	\$ 471,468	\$ 572,816	\$ 1,044,284
Receivables, net	60,415	146,709	207,124
Internal balances	(217,265)	217,265	-
Due from other governmental units	212,284	20,808	233,092
Inventory	-	53,237	53,237
Prepaid expenses	88,682	26,399	115,081
Total current assets	615,584	1,037,234	1,652,818
Noncurrent assets:			
Restricted assets -			
Cash and interest-bearing deposits	-	170,877	170,877
Capital assets -			
Land and construction in progress	276,185	305,698	581,883
Capital assets, net	2,932,379	4,937,504	7,869,883
Total noncurrent assets	3,208,564	5,414,079	8,622,643
Total assets	3,824,148	6,451,313	10,275,461
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and other payables	98,703	73,159	171,862
Capital lease payable	24,664	-	24,664
Note payable	12,385	-	12,385
Unearned revenue	22,491	-	22,491
Customers' deposits	-	170,877	170,877
Total current liabilities	158,243	244,036	402,279
Noncurrent liabilities:			
Capital lease payable	54,395	-	54,395
Total liabilities	212,638	244,036	456,674
<b>NET POSITION</b>			
Net investment in capital assets	3,208,564	5,243,202	8,451,766
Restricted for sales tax dedications	275,171	-	275,171
Unrestricted	127,775	964,075	1,091,850
Total net position	\$ 3,611,510	\$ 6,207,277	\$ 9,818,787

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

TOWN OF CHURCH POINT, LOUISIANA

Statement of Activities  
For the Year Ended September 30, 2019

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental activities:</b>							
General government	\$ 812,294	\$ 236,386	\$ -	\$ -	\$ (575,908)	\$ -	\$ (575,908)
Public safety:							
Police	1,022,615	219,744	61,183	-	(741,688)	-	(741,688)
Public works	766,760	-	-	-	(766,760)	-	(766,760)
Community Center	42,049	-	-	-	(42,049)	-	(42,049)
Culture and recreation	113,218	-	-	-	(113,218)	-	(113,218)
Total governmental activities	<u>2,756,936</u>	<u>456,130</u>	<u>61,183</u>	<u>-</u>	<u>(2,239,623)</u>	<u>-</u>	<u>(2,239,623)</u>
<b>Business-type activities:</b>							
Water	601,059	668,361	-	193,907	-	261,209	261,209
Sewer	523,360	490,925	-	-	-	(32,435)	(32,435)
Total business-type activities	<u>1,124,419</u>	<u>1,159,286</u>	<u>-</u>	<u>193,907</u>	<u>-</u>	<u>228,774</u>	<u>228,774</u>
Total primary government	<u>\$ 3,881,355</u>	<u>\$ 1,615,416</u>	<u>\$ 61,183</u>	<u>\$ 193,907</u>	<u>(2,239,623)</u>	<u>228,774</u>	<u>(2,010,849)</u>
<b>General revenues:</b>							
Taxes -							
Property taxes, levied for general purposes					116,527	-	116,527
Sales and use taxes, levied for general purposes					1,307,992	-	1,307,992
Franchise taxes					271,695	-	271,695
Grants and contributions not restricted to specific programs -							
State sources					55,347	-	55,347
Interest and investment earnings					1,123	9,059	10,182
Miscellaneous					164,902	(2,759)	162,143
Transfers					185,000	(185,000)	-
Total general revenues					<u>2,102,586</u>	<u>(178,700)</u>	<u>1,923,886</u>
Change in net position					(137,037)	50,074	(86,963)
Net position - October 1, 2018					<u>3,748,547</u>	<u>6,157,203</u>	<u>9,905,750</u>
Net position - September 30, 2019					<u>\$ 3,611,510</u>	<u>\$ 6,207,277</u>	<u>\$ 9,818,787</u>

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

**FUND FINANCIAL STATEMENTS (FFS)**

## **MAJOR FUND DESCRIPTIONS**

### **General Fund**

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

### **Sales Tax Fund**

To account for the collection of a 1% sales and use tax and its subsequent disbursement in accordance with the sales tax dedication. The proceeds of the 1% sales tax approved on 01/10/67 are dedicated to construction, improving and maintaining streets, drainage, drainage canals, subsurface drains, fire department stations and funding into bonds.

### **2012 Law Enforcement Sales Tax Fund**

To account for the collection of a 1% sales and use tax and its subsequent disbursement in accordance with the sales tax dedication. The proceeds of the 1% sales tax approved on July 1, 2012 are dedicated to law enforcement expenses.

### **Capital Projects Fund**

To account for the receipt and subsequent disbursement of federal and state grant revenues and Town's matching funds to be utilized for various projects.

### **Enterprise Fund**

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

TOWN OF CHURCH POINT, LOUISIANA

Balance Sheet  
Governmental Funds  
September 30, 2019

	General	Sales Tax	2012 Law Enforcement Sales Tax	Capital Projects	Total
<b>ASSETS</b>					
Cash	\$ 298,301	\$ 1,888	\$ 8,423	\$ 1,430	\$ 310,042
Interest-bearing deposits	-	161,426	-	-	161,426
Receivables:					
Taxes	60,415	-	-	-	60,415
Due from other funds	-	30,010	145,681	-	175,691
Due from other governmental units	5,201	103,542	103,541	-	212,284
Prepaid expenses	15,023	41,101	32,558	-	88,682
Total assets	<u>\$ 378,940</u>	<u>\$ 337,967</u>	<u>\$ 290,203</u>	<u>\$ 1,430</u>	<u>\$ 1,008,540</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 37,022	\$ 15,672	\$ 31,908	\$ -	\$ 84,602
Accrued liabilities	10,107	585	3,409	-	14,101
Unearned revenue	22,491	-	-	-	22,491
Due to other funds	165,190	7,010	220,756	-	392,956
Total liabilities	<u>234,810</u>	<u>23,267</u>	<u>256,073</u>	<u>-</u>	<u>514,150</u>
Fund balances:					
Nonspendable (prepaid expenses)	15,023	41,101	32,558	-	88,682
Restricted - sales tax dedications	-	273,599	1,572	-	275,171
Assigned - capital expenditures	-	-	-	1,430	1,430
Unassigned	129,107	-	-	-	129,107
Total fund balances	<u>144,130</u>	<u>314,700</u>	<u>34,130</u>	<u>1,430</u>	<u>494,390</u>
Total liabilities and fund balances	<u>\$ 378,940</u>	<u>\$ 337,967</u>	<u>\$ 290,203</u>	<u>\$ 1,430</u>	<u>\$ 1,008,540</u>

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

TOWN OF CHURCH POINT, LOUISIANA

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

Total fund balances for governmental funds at September 30, 2019		\$ 494,390
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 276,185	
Buildings, net of \$792,518 accumulated depreciation	1,113,804	
Infrastructure, net of \$1,528,517 accumulated depreciation	1,205,199	
Equipment, net of \$317,627 accumulated depreciation	414,132	
Vehicles, net of \$201,145 accumulated depreciation	<u>199,244</u>	3,208,564
Long-term liabilities at September 30, 2019:		
Capital lease payable	(79,059)	
Note payable	<u>(12,385)</u>	<u>(91,444)</u>
Total net position of governmental activities at September 30, 2019		<u>\$ 3,611,510</u>

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

TOWN OF CHURCH POINT, LOUISIANA

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

	General	Sales Tax	2012 Law Enforcement Sales Tax	Capital Projects	Total
<b>Revenues:</b>					
Taxes	\$ 388,222	\$ 653,978	\$ 654,014	\$ -	\$ 1,696,214
Licenses and permits	230,670	-	-	-	230,670
Intergovernmental revenues	55,347	-	61,183	-	116,530
Charges for services	5,716	-	-	-	5,716
Continuing Education Fund	2,207	-	-	-	2,207
Fines	219,744	-	-	-	219,744
Miscellaneous -					
Rent income	30,797	-	-	-	30,797
Interest	-	1,123	-	-	1,123
Other	100,728	33,085	36,747	-	170,560
Total revenues	<u>1,033,431</u>	<u>688,186</u>	<u>751,944</u>	<u>-</u>	<u>2,473,561</u>
<b>Expenditures:</b>					
Current -					
General government	681,247	84,913	12,030	-	778,190
Public safety -					
Police	60,636	-	907,027	-	967,663
Public works	-	634,919	-	-	634,919
Community Center	32,717	-	-	-	32,717
Culture and recreation	101,815	-	-	-	101,815
Capital outlay	69,480	196,158	121,935	-	387,573
Debt service	-	70,895	29,961	-	100,856
Total expenditures	<u>945,895</u>	<u>986,885</u>	<u>1,070,953</u>	<u>-</u>	<u>3,003,733</u>
Excess (deficiency) of revenues over expenditures	<u>87,536</u>	<u>(298,699)</u>	<u>(319,009)</u>	<u>-</u>	<u>(530,172)</u>
<b>Other financing sources (uses):</b>					
Proceeds from issue of debt	-	83,280	109,020	-	192,300
Transfers in	185,000	-	222,000	547	407,547
Transfers out	(335,547)	136,288	-	(23,288)	(222,547)
Total other financing sources (uses)	<u>(150,547)</u>	<u>219,568</u>	<u>331,020</u>	<u>(22,741)</u>	<u>377,300</u>
Net changes in fund balances	(63,011)	(79,131)	12,011	(22,741)	(152,872)
Fund balances, beginning	<u>207,141</u>	<u>393,831</u>	<u>22,119</u>	<u>24,171</u>	<u>647,262</u>
Fund balances, ending	<u>\$ 144,130</u>	<u>\$ 314,700</u>	<u>\$ 34,130</u>	<u>\$ 1,430</u>	<u>\$ 494,390</u>

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

TOWN OF CHURCH POINT, LOUISIANA

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

Total net changes in fund balances at September 30, 2019 per  
Statement of Revenues, Expenditures and Changes in Fund Balances \$ (152,872)

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

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

Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 387,573	
Depreciation expense for the period ended September 30, 2019	(241,632)	
Loss on dispositions of captial assets	<u>(38,662)</u>	<u>107,279</u>

Loan proceeds are reported as financing sources in governmental funds  
and thus contribute to the change in fund balance. In the statement of  
net position, however, issuing debt increases long-term liabilities and does  
not affect the statement of activities. Similarly, repayment of principal  
and capital leases are recorded as expenditures in the governmental  
funds but reduce liability in the statement of net position.

Proceeds from capital lease	(109,020)	
Principal paid on capital lease	29,961	
Proceeds from long term debt	(83,280)	
Principal paid on long term debt	<u>70,895</u>	<u>(91,444)</u>

Total changes in net position at September 30, 2019 per  
Statement of Activities \$ (137,037)

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



TOWN OF CHURCH POINT, LOUISIANA

Statement of Net Position  
 Proprietary Fund  
 September 30, 2019

	<u>Enterprise Fund</u>
ASSETS	
Current assets:	
Cash	\$ 245,548
Interest-bearing deposits	327,268
Receivables -	
Accounts	100,883
Unbilled utility receivables	45,826
Due from other funds	217,265
Due from other governmental funds	20,808
Inventory	53,237
Prepaid expenses	<u>26,399</u>
Total current assets	<u>1,037,234</u>
Noncurrent assets:	
Restricted assets -	
Cash	91,405
Interest-bearing deposits	79,472
Capital assets -	
Land and construction in progress	305,698
Capital assets, net	<u>4,937,504</u>
Total noncurrent assets	<u>5,414,079</u>
Total assets	<u>6,451,313</u>
LIABILITIES	
Current liabilities:	
Accounts payable	38,328
Contracts payable	10,908
Retainage payable	16,375
Accrued liabilities	7,548
Customers' deposits	<u>170,877</u>
Total liabilities	<u>244,036</u>
NET POSITION	
Net investment in capital assets	5,243,202
Unrestricted	<u>964,075</u>
Total net position	<u>\$ 6,207,277</u>

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

TOWN OF CHURCH POINT, LOUISIANA

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

	<u>Enterprise Fund</u>
Operating revenues:	
Charges for services -	
Water sales	\$ 638,605
Sewer service charge	472,654
Other	<u>48,027</u>
Total operating revenues	<u>1,159,286</u>
Operating expenses:	
Salaries	311,893
Payroll taxes	24,876
Group insurance	42,420
Pension	11,694
Utilities	80,927
Repairs and maintenance	88,517
Auto expense	17,402
Legal and professional	39,189
Insurance	66,932
Operating supplies	30,333
Office supplies and expense	7,966
Dump and disposal charges	3,990
Inspection and testing	13,859
Chemicals	81,892
Uniforms	2,109
Depreciation	268,743
Other	<u>6,805</u>
Total operating expenses	<u>1,113,155</u>
Operating income	<u>46,131</u>
Nonoperating revenues (expenses):	
Gain on disposal of assets	(2,759)
Interest income	9,059
Interest expense	<u>(11,264)</u>
Total nonoperating revenues (expenses)	<u>(4,964)</u>
Income before contributions and transfers	41,167
Capital contributions	193,907
Transfers out	<u>(185,000)</u>
Change in net position	50,074
Net position, beginning	<u>6,157,203</u>
Net position, ending	<u>\$ 6,207,277</u>

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

TOWN OF CHURCH POINT, LOUISIANA

Statement of Cash Flows  
 Proprietary Fund  
 Year Ended September 30, 2019

	<u>Enterprise Fund</u>
Cash flows from operating activities:	
Receipts from customers	\$ 1,120,385
Payments to suppliers	(480,410)
Payments to employees	(390,018)
Other receipts	<u>48,027</u>
Net cash provided by operating activities	<u>297,984</u>
Cash flows from noncapital financing activities:	
Cash paid to other funds	(10,000)
Net increase in customer meter deposits	<u>6,107</u>
Net cash used by noncapital financing activities	<u>(3,893)</u>
Cash flows from capital and related financing activities:	
Principal paid on revenue bonds payable	(382,000)
Interest and fiscal charges paid on debt	(13,015)
Acquisition of property, plant and equipment	<u>(206,049)</u>
Net cash used by capital and related financing activities	<u>(601,064)</u>
Cash flows from investing activities:	
Proceeds of interest-bearing deposits with maturity in excess of ninety days	403,914
Purchase of interest-bearing deposits with maturity in excess of ninety days	(568,166)
Interest on investments	<u>9,727</u>
Net cash provided by investing activities	<u>(154,525)</u>
Net decrease in cash and cash equivalents	(461,498)
Cash and cash equivalents, beginning of period	<u>637,025</u>
Cash and cash equivalents, end of period	<u>\$ 175,527</u>

(continued)

TOWN OF CHURCH POINT, LOUISIANA

Statement of Cash Flows (Continued)

Proprietary Fund

Year Ended September 30, 2019

	<u>Enterprise Fund</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 46,131
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	268,743
Changes in current assets and liabilities:	
Increase in accounts receivable	9,127
Decrease in accounts payable	(15,930)
Increase in accrued liabilities	<u>(10,087)</u>
Total adjustments	<u>251,853</u>
Net cash provided by operating activities	<u>\$ 297,984</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:	
Cash and cash equivalents, beginning of period -	
Cash and interest-bearing deposits - unrestricted	\$ 141,117
Cash and interest-bearing deposits - restricted	899,822
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(403,914)</u>
Total cash and cash equivalents	<u>637,025</u>
Cash and cash equivalents, end of period -	
Cash and interest-bearing deposits - unrestricted	572,816
Cash and interest-bearing deposits - restricted	170,877
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(568,166)</u>
Total cash and cash equivalents	<u>175,527</u>
Net decrease	<u>\$ (461,498)</u>

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

## TOWN OF CHURCHPOINT, LOUISIANA

### Notes to the Basic Financial Statements

#### (1) Summary of Significant Accounting Policies

The accompanying financial statements of the Town of Church Point (Town) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. 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 Church Point (Town) was incorporated June 1, 1899, under the provisions of the Lawrason Act. The Town operates under the Mayor-Board of Aldermen form of government.

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

Based on the foregoing criteria, certain governmental organizations are not part of the Town and are thus excluded from the accompanying financial statements. These organizations are the Church Point Volunteer Fire Department and the Town of Church Point Housing Authority. The Town of Church Point Housing Authority was chartered by the Town and its Board of Directors is appointed by the Mayor and Board of Alderman. However, the Town's oversight responsibilities in the management of operations and financial accountability are remote.

##### B. Basis of Presentation

###### Government-Wide Financial Statements (GWFS)

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

## TOWN OF CHURCHPOINT, LOUISIANA

### Notes to the Basic Financial Statements (Continued)

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

#### Fund Financial Statements

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

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

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

The major funds of the Town are described below:

#### Governmental Funds -

##### General Fund

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

TOWN OF CHURCH POINT, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Special Revenue Funds

Sales Tax Fund --

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

2012 Law Enforcement Sales Tax Fund --

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

Capital Projects Funds

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds.)

Proprietary Fund -

Enterprise fund

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

C. Measurement Focus/Basis of Accounting

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

## TOWN OF CHURCH POINT, LOUISIANA

### Notes to the Basic Financial Statements (Continued)

#### Measurement Focus

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

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

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

#### Basis of Accounting

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

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

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



TOWN OF CHURCH POINT, LOUISIANA

Notes to the Basic Financial Statements (Continued)

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

Cash and interest-bearing deposits

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

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables."

Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes. Business-type activities report customer's utility service receivables as their major receivables. Uncollectible amounts due for customers' utility receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. The allowance for uncollectibles for customers' utility receivables was \$31,489 at September 30, 2019. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

Inventories

Inventories in the proprietary fund are valued at cost, which approximates market using the first-in/first-out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when purchased rather than when consumed.

## TOWN OF CHURCH POINT, LOUISIANA

### Notes to the Basic Financial Statements (Continued)

#### Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide or fund financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Prior to October 1, 2002, some governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

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

Buildings	40 years
Equipment	5 years
Utility system and improvements	20-40 years
Infrastructure	20-40 years

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

#### Restricted Assets

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

#### Long-term debt

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

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

## TOWN OF CHURCH POINT, LOUISIANA

### Notes to the Basic Financial Statements (Continued)

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

#### Compensated Absences

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

Vacation leave is earned at the rate of five days after one year of service, ten days after five years but less than ten years of service, and fifteen days after ten years of service. However, those employees with two years of service by February 2, 1999 were grandfathered in to receive ten days. Vacation leave earned does not accumulate from year to year.

Sick leave is earned at the rate of seven days for one to five years of employment and ten days for over five years of service. Employees are allowed to accumulate up to two years of leave. If the sick leave is not used within a two-year period, one year's leave is lost. Accumulated sick leave is not payable for employees who resign, retire, or are dismissed from employment.

#### Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively. There were no deferred outflows of resources and deferred inflows of resources as of September 30, 2019.

#### Equity Classifications

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

- a. Net investment in capital assets – Consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
- b. Restricted net position – Net position is considered restricted if the use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the Town's debt. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

## TOWN OF CHURCH POINT, LOUISIANA

### Notes to the Basic Financial Statements (Continued)

- c. Unrestricted net position – Consists of all other net position that does not meet the definition of the two components and is available for general use by the Town.

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

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

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

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

#### E. Revenues, Expenditures, and Expenses

##### Operating Revenues and Expenses

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

TOWN OF CHURCH POINT, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Expenditures/Expenses

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

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

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

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

Interfund Transfers

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

F. Revenue Restrictions

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

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Sales tax	See Note 13
Water and sewer revenue	Debt service and utility operations

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

G. Capitalization of Interest Expense

It is the policy of the Town of Church Point to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets. For the year ending September 30, 2019, there were no borrowings for assets under construction and no capitalized interest expense was recorded on the books. Total interest incurred and expensed for the year ending September 30, 2019 for the proprietary fund and business-type activities was \$11,264.

Total interest incurred and expensed for the year ended September 30, 2019 for the governmental funds was \$-0- and the governmental activities was \$-0-.

H. Use of Estimates

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

TOWN OF CHURCHPOINT, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(2) Cash and Interest-Bearing Deposits

Under state law, the Town may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Town may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At September 30, 2019, the Town had cash and interest-bearing deposits (book balances) as follows:

Demand deposits	\$ 646,995
Time deposits	<u>568,166</u>
Total	<u>\$1,215,161</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Town's deposits may not be recovered. Under state law, these deposits, (or resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. These deposits are stated at cost, which approximates market. Deposit balances (bank balances) at September 30, 2019 were secured as follows:

Bank balances	<u>\$ 1,342,089</u>
Federal deposit insurance	\$ 922,179
Pledged securities	<u>419,910</u>
Total federal deposit insurance and pledged securities	<u>\$ 1,342,089</u>

Deposits in the amount of \$419,910 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the Town's name. The Town does not have a policy for custodial credit risk.

(3) Ad Valorem Taxes

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

For the year ended September 30, 2019, taxes of 7.01 mills were levied on property with assessed valuations totaling \$16,581,100 and were dedicated as follows:

General corporate purposes	7.01 mills
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Total taxes levied were \$116,232. There were no taxes receivable at September 30, 2019.

TOWN OF CHURCH POINT, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(4) Receivables

Receivables at September 30, 2019 of \$207,124 consist of the following:

	<u>General</u>	<u>Utility</u>	<u>Total</u>
Accounts	\$ -	\$100,883	\$ 100,883
Unbilled utility	-	45,826	45,826
Franchise tax	<u>60,415</u>	<u>-</u>	<u>60,415</u>
Totals	<u>\$ 60,415</u>	<u>\$ 146,709</u>	<u>\$ 207,124</u>

(5) Due from Other Governmental Units

Amounts due from other governmental units in the amount of \$233,092 at September 30, 2019 consisted of the following:

Governmental Activities:

General Fund -

Amount due from the State of Louisiana for beer tax revenues earned	\$ 2,395
Amount due from the State of Louisiana for video poker revenue earned	<u>2,806</u>
	5,201

Sales Tax Fund -

Amount due from Acadia Parish School Board for September 2019 sales tax	103,542
2012 Law Enforcement Sales Tax Fund -	
Amount due from Acadia Parish School Board for September 2019 sales tax	<u>103,541</u>
Total governmental activities	207,083

Business Type Activities:

Utility Fund-

Amount due from the State of Louisiana for grant revenue earned	<u>20,808</u>
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Total Due from Other Governmental Units	<u>\$233,092</u>
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(6) Restricted Assets - Proprietary Fund Type

Restricted assets consisted of the following at September 30, 2019:

Customers' deposits	<u>\$ 170,877</u>
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TOWN OF CHURCH POINT, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(7) Capital Assets

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

	Balance 10/01/18	Additions	Deletions	Balance 09/30/19
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 196,617	\$ 79,568	\$ -	\$ 276,185
Construction in progress	-	-	-	-
Other capital assets:				
Buildings	1,902,862	3,460	-	1,906,322
Infrastructure	2,689,116	44,600	-	2,733,716
Equipment, furniture and fixtures	765,725	80,029	113,995	731,759
Vehicles	401,251	179,916	180,778	400,389
Totals	<u>5,955,571</u>	<u>387,573</u>	<u>294,773</u>	<u>6,048,371</u>
Less accumulated depreciation				
Buildings	744,082	48,436	-	792,518
Infrastructure	1,415,467	113,050	-	1,528,517
Equipment, furniture and fixtures	341,323	51,637	75,333	317,627
Vehicles	353,414	28,509	180,778	201,145
Total accumulated depreciation	<u>2,854,286</u>	<u>241,632</u>	<u>256,111</u>	<u>2,839,807</u>
Governmental activities, capital assets, net	<u>\$ 3,101,285</u>	<u>\$ 145,941</u>	<u>\$ 38,662</u>	<u>\$ 3,208,564</u>
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land - water system	\$ 100,000	\$ -	\$ -	\$ 100,000
Land - sewer system	450	-	-	450
Construction in progress	37,615	216,908	49,275	205,248
Other capital assets:				
Water system	4,954,077	49,275	-	5,003,352
Sewer system	6,319,411	-	-	6,319,411
Vehicles	41,493	20,670	15,260	46,903
Other equipment	587,772	137,308	53,644	671,436
Totals	<u>12,040,818</u>	<u>424,161</u>	<u>118,179</u>	<u>12,346,800</u>
Less accumulated depreciation				
Water system	3,083,561	113,277	18,380	3,178,458
Sewer system	3,582,077	137,737	-	3,719,814
Vehicles	41,493	2,067	15,260	28,300
Machinery and equipment	165,216	15,662	3,852	177,026
Total accumulated depreciation	<u>6,872,347</u>	<u>268,743</u>	<u>37,492</u>	<u>7,103,598</u>
Business-type activities, capital assets, net	<u>\$ 5,168,471</u>	<u>\$ 155,418</u>	<u>\$ 80,687</u>	<u>\$ 5,243,202</u>



TOWN OF CHURCH POINT, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 34,104
Police	54,952
Public works	131,841
Community Center	9,332
Culture and recreation	<u>11,403</u>
Total depreciation expense	<u>\$241,632</u>

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

Water	\$ 115,344
Sewer	<u>153,399</u>
Total depreciation expense	<u>\$ 268,743</u>

(8) Accounts and Other Payables

The accounts and other payables in the amount of \$171,862 consisted of the following at September 30, 2019:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Accounts	\$ 84,602	\$ 38,328	\$122,930
Other liabilities	14,101	7,548	21,649
Contracts payable	-	10,908	10,908
Retainage payable	<u>-</u>	<u>16,375</u>	<u>16,375</u>
Totals	<u>\$ 98,703</u>	<u>\$ 73,159</u>	<u>\$171,862</u>

(9) Changes in Long-Term Debt

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

	<u>Business-type Activities</u>
	<u>Revenue Bonds</u>
Long-term debt payable at 10/01/18	\$ 382,000
Long-term debt issued	-
Long-term debt retired	<u>(382,000)</u>
Long-term debt payable at 9/30/19	<u>\$ -</u>

## TOWN OF CHURCHPOINT, LOUISIANA

### Notes to the Basic Financial Statements (Continued)

#### (10) Flow of Funds; Restrictions on Use - Utilities Revenues

Under the terms of the bond indentures on outstanding Utility Revenue Bonds dated August 1, 2012, all income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from operation of the Utility System are pledged and dedicated to the retirement of said bonds, and are to be set aside into the following special funds:

Each month, there will be set aside into a fund called the "Bond and Interest Sinking Fund" an amount constituting 1/12<sup>th</sup> of the next maturing installment of principal and interest on the outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due and may be used only for such payments.

Pursuant to the Parity Bond Ordinance, funds will also be set aside into a "Contingency Fund" at the rate of 5% of net revenues on or before the 20<sup>th</sup> of each month until there is an accumulated sum of \$200,000. Money in this fund may be used to care for depreciation, extensions, improvements, and replacements to the system, which are necessary to keep the system in operating condition. Money in this fund may also be used to pay principal or interest on the bonds falling due at any time there is not sufficient money for payment in the other bond funds. The Town is not required to maintain a bond reserve fund under this bond issuance.

The Town of Church Point was in compliance with all significant limitations and restrictions in the bond indentures during the year ended September 30, 2019. The Utility Revenue Bonds were fully paid off as of September 30, 2019.

#### (11) Retirement Commitment

All employees of the Town of Church Point are members of the Federal Social Security system. The Town and its employees contribute a percentage of each employee's salary to the system (7.65% contributed by the Town; 7.65% by the employee). Total covered wages for the years ended September 30, 2019, 2018, and 2017 totaled \$1,482,124, \$1,323,231, and \$1,487,774, respectively. The Town's contribution during the year ended September 30, 2019, 2018, and 2017 amounted to \$113,382, \$101,227, and \$113,815, respectively.

#### (12) Deferred Compensation Plan

As of July 1, 2003, the Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457. The plan is administered by the Variable Annuity Life Insurance Company (VALIC). The plan, available to all Town employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The Town's contribution to the plan for the period ended September 30, 2019 was \$50,743.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) held in a trust, custodial account or annuity contract by the Town described in IRC 457(g) for the exclusive benefit of the participants and their beneficiaries.

TOWN OF CHURCH POINT, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(13) Dedication of Proceeds and Flow of Funds - Sales and Use Taxes

- A. Proceeds of a 1% sales and use tax approved January 10, 1967, (accounted for in the Sales Tax Fund - a special revenue fund) levied by the Town of Church Point (2019 collections \$653,978) are dedicated to the following purposes:

Constructing, acquiring, extending, improving and/or maintaining drainage facilities, streets, sidewalks and fire department stations and equipment, including fire engines and purchasing and acquiring equipment and furnishings for the aforesaid public works, improvements and facilities, title to which shall be in the public name.

- B. Proceeds of a 1% sales and use tax approved May 16, 2012, (accounted for in the Law Enforcement Sales Tax Fund – a special revenue fund) levied by the Town of Church Point (2019 collections \$654,014) are dedicated to support law enforcement in the Town of Church Point.

All of the above sales taxes were issued in perpetuity.

(14) Departmental Information for the Enterprise Fund

The Town of Church Point maintains one enterprise fund with two departments, which provide water and sewerage services. Departmental information for the year ended September 30, 2019 was as follows:

	<u>Water Department</u>	<u>Sewerage Department</u>	<u>Total Enterprise Fund</u>
Charges for services and other revenues	<u>\$ 668,361</u>	<u>\$ 490,925</u>	<u>\$ 1,159,286</u>
Operating expenses -			
Depreciation	115,344	153,399	268,743
Other expenses	<u>479,221</u>	<u>365,191</u>	<u>844,412</u>
Total operating expenses	<u>594,565</u>	<u>518,590</u>	<u>1,113,155</u>
Operating income	<u>\$ 73,796</u>	<u>\$ (27,665)</u>	<u>\$ 46,131</u>

TOWN OF CHURCH POINT, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(15) On-Behalf Payments of Salaries

The State of Louisiana paid the Town's policemen \$61,183 of supplemental pay during the year ended September 30, 2019. Such payments are recorded as intergovernmental revenues and public safety expense in the government-wide and General Fund financial statements.

(16) Risk Management

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

(17) Litigation and Claims

At September 30, 2019, the Town is a defendant in several lawsuits principally arising from the normal course of operations. The Town's legal counsel has reviewed the claims filed and has determined that the Town's liability net of insurance coverage is considered immaterial at September 30, 2019. As of September 30, 2019, no liability has been provided for suits filed or unasserted claims which may be filed.

TOWN OF CHURCH POINT, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(18) Interfund Transactions

A. Receivables and Payables

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

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Funds:		
Governmental Funds -		
General Fund	\$ -	\$ 165,190
Sales Tax Fund	30,010	7,010
Law Enforcement Sales Tax Fund	145,681	220,756
Proprietary Fund -		
Utility Fund	<u>217,265</u>	<u>-</u>
Total	<u>\$ 392,956</u>	<u>\$ 392,956</u>

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

B. Interfund transfers

Interfund transfers consisted of the following at September 30, 2019:

	<u>Interfund Transfers In</u>	<u>Interfund Transfers Out</u>
Major Funds:		
Governmental Funds -		
General Fund	\$ 185,000	\$ 335,547
Sales Tax Fund	136,288	-
2012 Law Enforcement Sales Tax Fund	222,000	-
Capital Projects Fund	547	23,288
Proprietary Fund -		
Utility Fund	<u>-</u>	<u>185,000</u>
Total	<u>\$ 543,835</u>	<u>\$ 543,835</u>

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

TOWN OF CHURCHPOINT, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(19) Compensation of Town Officials

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

Ryan Meche, Mayor	(incoming)	\$ 33,008
Russell Stelly, Mayor	(outgoing)	10,683
Aldermen:		
Gary Duplechin	(outgoing)	1,176
Joy Daigle	(outgoing)	1,026
Gene Malbrough	(outgoing)	1,176
Dale Wimberely	(outgoing)	1,176
Pat O'pry	(incoming)	3,559
Christine Semien	(incoming)	3,559
Chris LeBas	(incoming)	3,559
Nelson Kim Cormier	(incoming)	3,559
Errol Comeaux	(returning)	<u>4,735</u>
		<u>\$ 67,216</u>

The mayor receives \$3,561 per month. Aldermen receive \$335 per month plus \$150 for each special meeting called.

(20) Compensation, Benefits, and Other Payments to Agency Head

The schedule of compensation, benefits, and other payments to the Mayor, follows:

Schedule of Benefits to Ryan Meche, Mayor (01/01/19 to 09/30/19)		
Salary		\$ 33,008
Benefits - insurance		580
Fuel		<u>802</u>
		<u>\$ 34,390</u>
Schedule of Benefits to Russell Stelly, Mayor (10/01/18 to 12/31/18)		
Salary		<u>\$ 10,683</u>

**REQUIRED SUPPLEMENTARY  
INFORMATION**

TOWN OF CHURCH POINT, LOUISIANA  
General Fund

Budgetary Comparison Schedule  
For the Year Ended September 30, 2019

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes -				
Ad valorem	\$ 116,500	\$ 116,527	\$ 116,527	\$ -
Franchise	256,300	267,035	271,695	4,660
Licenses and permits -				
Occupational licenses	214,000	220,271	225,594	5,323
Permits	5,900	4,766	5,076	310
Intergovernmental revenues -				
State of Louisiana:				
Housing Authority payment in lieu of taxes	20,200	22,490	21,224	(1,266)
Beer taxes	9,600	9,004	8,934	(70)
Video poker commissions	31,800	28,536	25,189	(3,347)
Charges for services -				
Utility collection	4,600	4,582	5,716	1,134
Continuing Education Fund	3,500	2,100	2,207	107
Fines and forfeits	244,200	212,499	219,744	7,245
Miscellaneous -				
Rent income	23,500	30,465	30,797	332
Other revenues	50,650	94,366	100,728	6,362
Total revenues	<u>980,750</u>	<u>1,012,641</u>	<u>1,033,431</u>	<u>20,790</u>
<b>Expenditures:</b>				
Current -				
General government	497,643	634,176	681,247	(47,071)
Public safety	62,626	62,447	60,636	1,811
Community Center	20,950	36,346	32,717	3,629
Culture and recreation	117,987	106,440	101,815	4,625
Capital outlay	-	69,883	69,480	403
Total expenditures	<u>699,206</u>	<u>909,292</u>	<u>945,895</u>	<u>(36,603)</u>
Excess (deficiency) of revenues over expenditures	<u>281,544</u>	<u>103,349</u>	<u>87,536</u>	<u>(15,813)</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	60,000	185,000	125,000
Transfers out	(252,000)	(226,000)	(335,547)	(109,547)
Total other financing sources (uses)	<u>(252,000)</u>	<u>(166,000)</u>	<u>(150,547)</u>	<u>15,453</u>
Net change in fund balance	29,544	(62,651)	(63,011)	(360)
Fund balance, beginning	<u>207,141</u>	<u>207,141</u>	<u>207,141</u>	<u>-</u>
Fund balance, ending	<u>\$ 236,685</u>	<u>\$ 144,490</u>	<u>\$ 144,130</u>	<u>\$ (360)</u>



TOWN OF CHURCH POINT, LOUISIANA  
Sales Tax Fund

Budgetary Comparison Schedule  
For the Year Ended September 30, 2019

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes - sales taxes	\$ 610,000	\$ 644,600	\$653,978	\$ 9,378
Miscellaneous -				
Interest	150	-	1,123	1,123
Other	2,000	32,410	33,085	675
Total revenues	<u>612,150</u>	<u>677,010</u>	<u>688,186</u>	<u>11,176</u>
<b>Expenditures:</b>				
Current -				
General government:				
Salaries	41,455	50,709	51,225	(516)
Payroll taxes	20,500	3,656	4,009	(353)
Group insurance	51,520	4,113	2,320	1,793
Pension	2,500	3,802	3,677	125
Workers compensation	-	-	-	-
Legal and professional	10,000	11,490	11,695	(205)
Collection expense	10,000	11,600	11,987	(387)
Total general government	<u>135,975</u>	<u>85,370</u>	<u>84,913</u>	<u>457</u>
Public works:				
Salaries	250,887	279,791	276,705	3,086
Payroll taxes	3,050	21,405	22,433	(1,028)
Group insurance	6,960	36,920	42,463	(5,543)
Pension	10,505	13,670	14,263	(593)
Workers compensation	32,500	43,427	33,743	9,684
Legal and professional	3,500	3,500	-	3,500
Gravel, shell and supplies	27,500	59,633	51,745	7,888
Repairs and maintenance	28,500	44,928	49,334	(4,406)
Transportation	25,000	24,978	32,912	(7,934)
Telephone and utilities	12,000	10,409	13,889	(3,480)
Insurance	14,200	16,412	15,001	1,411
Miscellaneous	21,935	26,931	27,938	(1,007)
Street lighting	56,500	54,649	54,493	156
Total public works	<u>493,037</u>	<u>636,653</u>	<u>634,919</u>	<u>1,734</u>

(continued)

TOWN OF CHURCH POINT, LOUISIANA  
Sales Tax Fund

Budgetary Comparison Schedule (Continued)  
For the Year Ended September 30, 2019

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
Capital outlay -				
Public works:				
Street improvements	30,000	129,091	128,871	220
Building and improvements	-	67,287	67,287	-
Total capital outlay	<u>30,000</u>	<u>196,378</u>	<u>196,158</u>	<u>220</u>
Debt service -				
Principal retirement	-	70,895	70,895	-
Total expenditures	<u>659,012</u>	<u>989,296</u>	<u>986,885</u>	<u>2,411</u>
Deficiency of revenues over expenditures	<u>(46,862)</u>	<u>(312,286)</u>	<u>(298,699)</u>	<u>13,587</u>
Other financing sources:				
Proceeds from issuance of debt	-	83,280	83,280	-
Transfers in	-	26,000	136,288	110,288
Total other financing sources	<u>-</u>	<u>109,280</u>	<u>219,568</u>	<u>110,288</u>
Net change in fund balance	(46,862)	(203,006)	(79,131)	123,875
Fund balance, beginning	<u>393,831</u>	<u>393,831</u>	<u>393,831</u>	<u>-</u>
Fund balance, ending	<u>\$ 346,969</u>	<u>\$ 190,825</u>	<u>\$ 314,700</u>	<u>\$ 123,875</u>

TOWN OF CHURCH POINT, LOUISIANA  
2012 Law Enforcement Sales Tax Fund

Budgetary Comparison Schedule  
For the Year Ended September 30, 2019

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes - sales taxes	\$ 620,000	\$ 644,600	\$ 654,014	\$ 9,414
Intergovernmental revenue -				
State of Louisiana -				
On-behalf payments	77,000	58,683	61,183	2,500
Miscellaneous -				
Other	5,000	36,236	36,747	511
Total revenues	<u>702,000</u>	<u>739,519</u>	<u>751,944</u>	<u>12,425</u>
<b>Expenditures:</b>				
Current -				
General government:				
Collection expense	<u>9,000</u>	<u>11,600</u>	<u>12,030</u>	<u>(430)</u>
Public safety - police:				
Salaries	592,250	529,921	529,372	549
Payroll taxes	46,492	39,895	38,824	1,071
Group insurance	85,000	71,314	73,198	(1,884)
Pension	24,690	20,863	23,247	(2,384)
Workers compensation	33,000	43,438	35,776	7,662
Transportation	35,500	53,239	54,494	(1,255)
Supplies	15,500	18,616	25,179	(6,563)
Telephone and utilities	17,600	16,158	17,687	(1,529)
Legal and professional	12,000	16,365	20,578	(4,213)
Insurance	48,500	46,293	39,562	6,731
Repairs and maintenance	10,000	28,668	29,579	(911)
Conventions and seminars	-	-	1,387	(1,387)
Meals for prisoners	5,000	4,851	5,130	(279)
Uniforms	-	4,530	7,380	(2,850)
Miscellaneous	2,250	4,247	5,634	(1,387)
Total public safety	<u>927,782</u>	<u>898,398</u>	<u>907,027</u>	<u>(8,629)</u>

(continued)

TOWN OF CHURCH POINT, LOUISIANA  
2012 Law Enforcement Sales Tax Fund

Budgetary Comparison Schedule (Continued)  
For the Year Ended September 30, 2019

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
Capital outlay	12,000	109,020	121,935	(12,915)
Debt service - Principal retirement	-	29,961	29,961	-
Total expenditures	948,782	1,048,979	1,070,953	(21,974)
Deficiency of revenues over expenditures	(246,782)	(309,460)	(319,009)	(9,549)
Other financing sources:				
Proceeds from capital lease	-	109,020	109,020	-
Transfers from General Fund	252,000	200,000	222,000	22,000
Total other financing sources	252,000	309,020	331,020	22,000
Net change in fund balance	5,218	(440)	12,011	12,451
Fund balance, beginning	22,119	22,119	22,119	-
Fund balance, ending	\$ 27,337	\$ 21,679	\$ 34,130	\$ 12,451

TOWN OF CHURCH POINT, LOUISIANA

Notes to the Required Supplementary Information

(1) Budget and Budgetary Accounting

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

1. Prior to September 30, the Town Clerk submits to the Mayor and Board of Aldermen a proposed operating budget for the fiscal year commencing the following October 1.
2. A summary of the proposed budget is published, and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board of Aldermen. Such amendments were not material in relation to the original appropriations.

(2) Excess of Expenditures Over Appropriations

For the year ended September 30, 2019, the following funds had actual expenditures over appropriations, at the functional level, as follows:

Fund and Function	Budget	Actual	Excess
General Fund:			
General government	\$ 634,176	\$ 681,247	\$ (47,071)
2012 Law Enforcement Sales Tax Fund:			
General government	11,600	12,030	(430)
Public safety	898,398	907,027	(8,629)
Capital outlay	109,020	121,935	(12,915)

**OTHER SUPPLEMENTARY INFORMATION**

TOWN OF CHURCH POINT, LOUISIANA

Statement of Net Position

September 30, 2019

With Comparative Totals for September 30, 2018

	2019			2018 Totals
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Current assets:				
Cash and interest-bearing deposits	\$ 471,468	\$ 572,816	\$ 1,044,284	\$ 938,024
Receivables, net	60,415	146,709	207,124	215,606
Internal balances	(217,265)	217,265	-	-
Due from other governmental units	212,284	20,808	233,092	235,268
Inventory	-	53,237	53,237	53,237
Prepaid expenses	88,682	26,399	115,081	28,398
Total current assets	<u>615,584</u>	<u>1,037,234</u>	<u>1,652,818</u>	<u>1,470,533</u>
Noncurrent assets:				
Restricted assets:				
Cash and interest-bearing deposits	-	170,877	170,877	899,822
Capital assets:				
Land and construction in progress	276,185	305,698	581,883	334,682
Capital assets, net	<u>2,932,379</u>	<u>4,937,504</u>	<u>7,869,883</u>	<u>7,935,074</u>
Total noncurrent assets	<u>3,208,564</u>	<u>5,414,079</u>	<u>8,622,643</u>	<u>9,169,578</u>
Total assets	<u>3,824,148</u>	<u>6,451,313</u>	<u>10,275,461</u>	<u>10,640,111</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and other payables	98,703	73,159	171,862	164,616
Capital lease payable	24,664	-	24,664	-
Note payable	12,385	-	12,385	-
Unearned revenue	22,491	-	22,491	21,224
Customers' deposits	-	170,877	170,877	164,770
Revenue bonds payable	-	-	-	233,000
Accrued interest	-	-	-	1,751
Total current liabilities	<u>158,243</u>	<u>244,036</u>	<u>402,279</u>	<u>585,361</u>
Noncurrent liabilities:				
Capital lease payable	54,395	-	54,395	-
Revenue bonds payable	-	-	-	149,000
Total liabilities	<u>212,638</u>	<u>244,036</u>	<u>456,674</u>	<u>734,361</u>
<b>NET POSITION</b>				
Net investment in capital assets	3,208,564	5,243,202	8,451,766	8,120,756
Restricted for sales tax dedications	275,171	-	275,171	396,440
Restricted for debt service	-	-	-	500,301
Unrestricted	<u>127,775</u>	<u>964,075</u>	<u>1,091,850</u>	<u>888,253</u>
Total net position	<u>\$ 3,611,510</u>	<u>\$ 6,207,277</u>	<u>\$ 9,818,787</u>	<u>\$ 9,905,750</u>

TOWN OF CHURCH POINT, LOUISIANA  
General Fund

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

	2019				
	Budget		Actual	Variance - Positive (Negative)	2018 Actual
	Original	Final			
<b>Revenues:</b>					
Taxes -					
Ad valorem	\$ 116,500	\$ 116,527	\$ 116,527	\$ -	\$ 116,394
Franchise	256,300	267,035	271,695	4,660	266,821
Licenses and permits -					
Occupational licenses	214,000	220,271	225,594	5,323	215,491
Permits	5,900	4,766	5,076	310	5,995
Intergovernmental revenues -					
Federal grants	-	-	-	-	86,822
State of Louisiana:					
Housing Authority payment in lieu of taxes	20,200	22,490	21,224	(1,266)	20,179
Beer taxes	9,600	9,004	8,934	(70)	9,327
Video poker commissions	31,800	28,536	25,189	(3,347)	31,484
Charges for services -					
Utility collection	4,600	4,582	5,716	1,134	5,674
Continuing Education Fund	3,500	2,100	2,207	107	4,060
Fines and forfeits	244,200	212,499	219,744	7,245	213,618
Miscellaneous -					
Rent income	23,500	30,465	30,797	332	29,434
Interest income	-	-	-	-	3
Other revenues	50,650	94,366	100,728	6,362	70,485
Total revenues	<u>980,750</u>	<u>1,012,641</u>	<u>1,033,431</u>	<u>20,790</u>	<u>1,075,787</u>
<b>Expenditures:</b>					
Current -					
General government	497,643	634,176	681,247	(47,071)	539,680
Public safety	62,626	62,447	60,636	1,811	69,304
Community Center	20,950	36,346	32,717	3,629	23,922
Culture and recreation	117,987	106,440	101,815	4,625	131,739
Capital outlay	-	69,883	69,480	403	-
Total expenditures	<u>699,206</u>	<u>909,292</u>	<u>945,895</u>	<u>(36,603)</u>	<u>764,645</u>
Excess of revenues over expenditures	<u>281,544</u>	<u>103,349</u>	<u>87,536</u>	<u>(15,813)</u>	<u>311,142</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	60,000	185,000	125,000	-
Transfers out	(252,000)	(226,000)	(335,547)	(109,547)	152,376
Total other financing sources (uses)	<u>(252,000)</u>	<u>(166,000)</u>	<u>(150,547)</u>	<u>15,453</u>	<u>(152,376)</u>
Net change in fund balance	29,544	(62,651)	(63,011)	(360)	158,766
Fund balance, beginning	<u>207,141</u>	<u>207,141</u>	<u>207,141</u>	-	<u>48,375</u>
Fund balance, ending	<u>\$ 236,685</u>	<u>\$ 144,490</u>	<u>\$ 144,130</u>	<u>\$ (360)</u>	<u>\$ 207,141</u>



TOWN OF CHURCH POINT, LOUISIANA  
General Fund

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

	2019				2018 Actual
	Budget		Actual	Variance - Positive (Negative)	
	Original	Final			
<b>Current -</b>					
<b>General government:</b>					
Salaries	\$ 191,289	\$ 173,868	\$ 173,740	\$ 128	\$ 173,773
Court salaries	49,819	50,535	50,570	(35)	48,822
Payroll taxes	16,685	17,584	18,054	(470)	16,575
Group insurance	18,000	22,740	26,568	(3,828)	20,347
Pension	4,100	3,927	4,068	(141)	3,304
General insurance	37,000	57,852	58,732	(880)	37,085
Workers' compensation	12,200	12,421	11,437	984	12,586
Legal and professional	106,100	167,094	191,996	(24,902)	144,212
Office expense and supplies	22,950	31,217	37,303	(6,086)	31,670
Advertising and promotion	3,500	14,648	19,154	(4,506)	5,559
Conventions and seminars	2,500	2,606	5,684	(3,078)	5,491
Repairs and maintenance	3,000	34,833	36,502	(1,669)	2,941
Dues	1,300	1,250	1,050	200	1,142
Utilities and telephone	21,200	15,960	15,845	115	24,413
Preparation of tax rolls	4,500	3,102	3,092	10	4,475
Miscellaneous	3,500	7,677	10,153	(2,476)	4,769
Presbytere expense	-	16,862	17,299	(437)	2,516
Total general government	<u>497,643</u>	<u>634,176</u>	<u>681,247</u>	<u>(47,071)</u>	<u>539,680</u>
<b>Public safety:</b>					
<b>Police department -</b>					
<b>Special Investigation Expense</b>					
Salaries	20,326	22,175	22,088	87	19,776
Payroll taxes	1,700	1,949	1,973	(24)	1,751
Workers' compensation	-	-	-	-	598
Transportation	-	-	375	(375)	-
Supplies	-	-	1,656	(1,656)	1,101
Telephone and utilities	250	-	-	-	-
Legal and professional	-	-	-	-	182
Conventions and seminars	-	-	298	(298)	902
Uniforms	5,350	1,268	1,016	252	2,964
Crime lab fees	-	20,000	20,850	(850)	27,708
Miscellaneous	35,000	17,055	12,380	4,675	14,322
Total public safety	<u>62,626</u>	<u>62,447</u>	<u>60,636</u>	<u>1,811</u>	<u>69,304</u>
<b>Community Center:</b>					
Office expense and supplies	2,450	3,227	3,562	(335)	1,857
General insurance	2,700	3,187	3,088	99	2,196
Repairs and maintenance	3,500	18,304	13,326	4,978	6,202
Telephone and utilities	7,500	6,828	7,291	(463)	8,467
Miscellaneous	4,800	4,800	5,450	(650)	5,200
Total Community Center	<u>20,950</u>	<u>36,346</u>	<u>32,717</u>	<u>3,629</u>	<u>23,922</u>

(continued)

TOWN OF CHURCH POINT, LOUISIANA  
General Fund

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

	2019			Variance - Positive (Negative)	2018 Actual
	Budget		Actual		
	Original	Final			
<b>Culture and recreation:</b>					
Salaries	49,100	40,816	40,935	(119)	52,446
Payroll taxes	3,800	4,000	3,298	702	4,039
Automobile expense	1,587	569	564	5	774
Trophies	2,500	1,889	890	999	1,820
Tournament Fees	3,200	3,034	3,534	(500)	2,326
Supplies	10,100	15,881	15,311	570	11,183
Repairs and maintenance	10,200	9,226	9,487	(261)	13,164
Telephone and utilities	11,000	10,509	10,549	(40)	12,870
Uniforms	10,500	8,178	6,055	2,123	7,581
Insurance	14,500	9,771	9,548	223	22,933
Miscellaneous	1,500	2,567	1,644	923	2,565
<b>Total culture and recreation</b>	<u>117,987</u>	<u>106,440</u>	<u>101,815</u>	<u>4,625</u>	<u>131,739</u>
<b>Capital outlay -</b>					
<b>General government:</b>					
Equipment	-	12,281	12,281	-	-
<b>Streets:</b>					
Vehicles and equipment	-	49,853	49,450	403	-
<b>Culture and recreation:</b>					
Community Center equipment	-	4,579	4,579	-	-
Park improvements	-	3,170	3,170	-	-
<b>Total capital outlay</b>	<u>-</u>	<u>69,883</u>	<u>69,480</u>	<u>403</u>	<u>-</u>
<b>Total expenditures</b>	<u>\$ 699,206</u>	<u>\$ 909,292</u>	<u>\$ 945,895</u>	<u>\$ (36,603)</u>	<u>\$ 764,645</u>

TOWN OF CHURCH POINT, LOUISIANA  
Sales Tax Fund

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

	2019			Variance - Positive (Negative)	2018 Actual
	Budget		Actual		
	Original	Final			
<b>Revenues:</b>					
Taxes - sales taxes	\$ 610,000	\$ 644,600	\$ 653,978	\$ 9,378	\$ 650,853
Miscellaneous -					
Interest	150	-	1,123	1,123	454
Other	2,000	32,410	33,085	675	549
Total revenues	<u>612,150</u>	<u>677,010</u>	<u>688,186</u>	<u>11,176</u>	<u>651,856</u>
<b>Expenditures:</b>					
<b>Current -</b>					
<b>General government:</b>					
Salaries	41,455	50,709	51,225	(516)	42,242
Payroll taxes	20,500	3,656	4,009	(353)	3,109
Group insurance	51,520	4,113	2,320	1,793	5,710
Pension	2,500	3,802	3,677	125	2,563
Legal and professional	10,000	11,490	11,695	(205)	11,505
Collection expense	10,000	11,600	11,987	(387)	11,731
Total general government	<u>135,975</u>	<u>85,370</u>	<u>84,913</u>	<u>457</u>	<u>76,860</u>
<b>Public works:</b>					
Salaries	250,887	279,791	276,705	3,086	255,043
Payroll taxes	3,050	21,405	22,433	(1,028)	19,042
Group insurance	6,960	36,920	42,463	(5,543)	36,858
Pension	10,505	13,670	14,263	(593)	9,496
Workers compensation	32,500	43,427	33,743	9,684	42,593
Legal and professional	3,500	3,500	-	3,500	-
Gravel, shell and supplies	27,500	59,633	51,745	7,888	30,020
Repairs and maintenance	28,500	44,928	49,334	(4,406)	9,643
Transportation	25,000	24,978	32,912	(7,934)	30,159
Telephone and utilities	12,000	10,409	13,889	(3,480)	12,032
Insurance	14,200	16,412	15,001	1,411	8,403
Miscellaneous	21,935	26,931	27,938	(1,007)	14,280
Street lighting	56,500	54,649	54,493	156	50,526
Total public works	<u>493,037</u>	<u>636,653</u>	<u>634,919</u>	<u>1,734</u>	<u>518,095</u>

(continued)

TOWN OF CHURCH POINT, LOUISIANA  
Sales Tax Fund

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

	2019			Variance - Positive (Negative)	2018 Actual
	Budget		Actual		
	Original	Final			
Capital outlay -					
Public works:					
Vehicles and equipment	30,000	129,091	128,871	220	9,096
Buildings and improvements	-	67,287	67,287	-	19,800
Total capital outlay	<u>30,000</u>	<u>196,378</u>	<u>196,158</u>	<u>220</u>	<u>28,896</u>
Debt service					
Principal retirement	-	70,895	70,895	-	-
Total expenditures	<u>659,012</u>	<u>989,296</u>	<u>986,885</u>	<u>2,411</u>	<u>623,851</u>
Excess (deficiency) of revenues over expenditures	<u>(46,862)</u>	<u>(312,286)</u>	<u>(298,699)</u>	<u>13,587</u>	<u>28,005</u>
Other financing sources:					
Proceeds from issuance of debt	-	83,280	83,280	-	-
Transfers in	-	26,000	136,288	110,288	-
Total other financing sources	<u>-</u>	<u>109,280</u>	<u>219,568</u>	<u>110,288</u>	<u>-</u>
Net change in fund balance	(46,862)	(203,006)	(79,131)	123,875	28,005
Fund balance, beginning	<u>393,831</u>	<u>393,831</u>	<u>393,831</u>	<u>-</u>	<u>365,826</u>
Fund balance, ending	<u>\$ 346,969</u>	<u>\$ 190,825</u>	<u>\$ 314,700</u>	<u>\$ 123,875</u>	<u>\$ 393,831</u>

TOWN OF CHURCH POINT, LOUISIANA  
2012 Law Enforcement Sales Tax Fund

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

	2019			Variance - Positive (Negative)	2018 Actual
	Budget		Actual		
	Original	Final			
<b>Revenues:</b>					
Taxes - sales taxes	\$ 620,000	\$ 644,600	\$ 654,014	\$ 9,414	\$ 650,847
Intergovernmental revenue - State of Louisiana - On-behalf payments	77,000	58,683	61,183	2,500	71,083
Miscellaneous - Other	5,000	36,236	36,747	511	19,763
Total revenues	<u>702,000</u>	<u>739,519</u>	<u>751,944</u>	<u>12,425</u>	<u>741,693</u>
<b>Expenditures:</b>					
<b>Current-</b>					
<b>General government:</b>					
Collection expense	<u>9,000</u>	<u>11,600</u>	<u>12,030</u>	<u>(430)</u>	<u>11,730</u>
<b>Public safety - police:</b>					
Salaries	592,250	529,921	529,372	549	519,920
Payroll taxes	46,492	39,895	38,824	1,071	35,855
Group insurance	85,000	71,314	73,198	(1,884)	86,725
Pension	24,690	20,863	23,247	(2,384)	32,039
Workers compensation	33,000	43,438	35,776	7,662	43,962
Transportation	35,500	53,239	54,494	(1,255)	30,322
Supplies	15,500	18,616	25,179	(6,563)	17,260
Telephone and utilities	17,600	16,158	17,687	(1,529)	16,037
Legal and professional	12,000	16,365	20,578	(4,213)	13,495
Insurance	48,500	46,293	39,562	6,731	62,197
Repairs and maintenance	10,000	28,668	29,579	(911)	2,231
Conventions and seminars	-	-	1,387	(1,387)	1,410
Meals for prisoners	5,000	4,851	5,130	(279)	6,361
Uniforms	-	4,530	7,380	(2,850)	857
Miscellaneous	2,250	4,247	5,634	(1,387)	1,135
Total public safety	<u>927,782</u>	<u>898,398</u>	<u>907,027</u>	<u>(8,629)</u>	<u>869,806</u>

(continued)

TOWN OF CHURCH POINT, LOUISIANA  
2012 Law Enforcement Sales Tax Fund

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

	2019		Actual	Variance - Positive (Negative)	2018 Actual
	Budget				
	Original	Final			
Capital outlay	12,000	109,020	121,935	(12,915)	-
Debt service - Principal retirement	-	29,961	29,961	-	-
Total expenditures	948,782	1,048,979	1,070,953	(21,974)	881,536
Excess (deficiency) of revenues over expenditures	(246,782)	(309,460)	(319,009)	(9,549)	(139,843)
Other financing sources:					
Proceeds from capital lease	-	109,020	109,020	-	-
Transfers from General Fund	252,000	200,000	222,000	22,000	152,376
Total other financing sources	252,000	309,020	331,020	22,000	152,376
Net change in fund balance	5,218	(440)	12,011	12,451	12,533
Fund balance, beginning	22,119	22,119	22,119	-	9,586
Fund balance, ending	\$ 27,337	\$ 21,679	\$ 34,130	\$ 12,451	\$ 22,119

TOWN OF CHURCH POINT, LOUISIANA  
Capital Projects Fund

Schedule of Revenues, Expenditures, and Change in Fund Balance -  
Budget (GAAP Basis) and Actual  
For the Year Ended September 30, 2019  
With Comparative Actual Amounts for the Year Ended September 30, 2018

	2019		Variance - Positive (Negative)	2018 Actual
	Budget	Actual		
Revenues:	\$ -	\$ -	\$ -	\$ -
Expenditures:	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Other financing sources (uses):				
Transfers in	-	547	547	-
Transfers out	-	(23,288)	(23,288)	-
Total other financing sources (uses)	-	(22,741)	(22,741)	-
Net change in fund balance	-	(22,741)	(22,741)	-
Fund balance, beginning	24,171	24,171	-	24,171
Fund balance, ending	<u>\$ 24,171</u>	<u>\$ 1,430</u>	<u>\$ (22,741)</u>	<u>\$ 24,171</u>

TOWN OF CHURCH POINT, LOUISIANA

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

	<u>Enterprise Fund</u>	
	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Current assets:		
Cash	\$ 245,548	\$ 76,087
Interest-bearing deposits	327,268	65,030
Receivables -		
Accounts	100,883	110,010
Unbilled utility receivables	45,826	45,826
Accrued interest receivable	-	668
Due from other funds	217,265	332,265
Due from other governmental units	20,808	19,883
Inventory	53,237	53,237
Prepaid expenses	26,399	6,318
Total current assets	<u>1,037,234</u>	<u>709,324</u>
Noncurrent assets:		
Restricted assets -		
Cash	91,405	495,908
Interest-bearing deposits	79,472	403,914
Capital assets -		
Land and construction in progress	305,698	138,065
Capital assets, net	<u>4,937,504</u>	<u>5,030,406</u>
Total noncurrent assets	<u>5,414,079</u>	<u>6,068,293</u>
Total assets	<u>6,451,313</u>	<u>6,777,617</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	38,328	54,258
Contracts payable	10,908	-
Retainage payable	16,375	-
Accrued liabilities	7,548	17,635
Customers' deposits	170,877	164,770
Payable from restricted assets -		
Revenue bonds	-	233,000
Accrued interest payable	-	1,751
Total current liabilities	<u>244,036</u>	<u>471,414</u>
Noncurrent liabilities:		
Revenue bonds payable	-	149,000
Total liabilities	<u>244,036</u>	<u>620,414</u>
<b>NET POSITION</b>		
Net investment in capital assets	5,243,202	5,019,471
Restricted for debt service	-	500,301
Unrestricted	964,075	637,431
Total net position	<u>\$ 6,207,277</u>	<u>\$ 6,157,203</u>



TOWN OF CHURCH POINT, LOUISIANA  
Enterprise Fund  
Utility Fund

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

	Totals		Water		Sewer	
	2019	2018	2019	2018	2019	2018
<b>Operating revenue:</b>						
Charges for services	\$ 1,111,259	\$ 1,136,011	\$ 638,605	\$ 654,784	\$ 472,654	\$ 481,227
Other	48,027	54,939	29,756	37,542	18,271	17,397
Total operating revenues	1,159,286	1,190,950	668,361	692,326	490,925	498,624
<b>Operating expenses:</b>						
Salaries	311,893	274,787	178,017	154,404	133,876	120,383
Payroll taxes	24,876	20,504	14,172	11,511	10,704	8,993
Group insurance	42,420	41,730	15,770	15,764	26,650	25,966
Pension	11,694	10,646	6,272	6,190	5,422	4,456
Utilities and telephone	80,927	78,231	36,477	32,897	44,450	45,334
Repairs and maintenance	88,517	84,819	40,261	52,325	48,256	32,494
Auto expense	17,402	8,819	14,735	6,877	2,667	1,942
Legal and professional	39,189	23,290	13,903	10,325	25,286	12,965
Insurance	66,932	75,201	40,924	46,591	26,008	28,610
Operating supplies	30,333	17,600	18,690	9,772	11,643	7,828
Office supplies and expense	7,966	12,226	7,173	12,059	793	167
Dump and disposal charges	3,990	4,589	-	-	3,990	4,589
Inspection and testing	13,859	14,652	5,313	6,841	8,546	7,811
Engineering fees	13,608	-	-	-	13,608	-
Chemicals	81,892	75,419	81,892	75,419	-	-
Uniforms	2,109	1,755	837	498	1,272	1,257
Bad debt expense	-	593	-	593	-	-
Depreciation	268,743	258,180	115,344	108,526	153,399	149,654
Other	6,805	5,930	4,785	4,185	2,020	1,745
Total operating expenses	1,113,155	1,008,971	594,565	554,777	518,590	454,194
Operating income	46,131	181,979	\$ 73,796	\$ 137,549	\$ (27,665)	\$ 44,430
<b>Non-operating revenues (expenses):</b>						
Gain on disposal of assets	(2,759)	-				
Interest income	9,059	2,439				
Interest expense	(11,264)	(15,638)				
Total non-operating revenues (expenses)	(4,964)	(13,199)				
Income before contributions and transfers	41,167	168,780				
Capital contributions	193,907	19,883				
Transfers out	(185,000)	-				
Change in net position	50,074	188,663				
Net position, beginning	6,157,203	5,968,540				
Net position, ending	\$ 6,207,277	\$ 6,157,203				

TOWN OF CHURCHPOINT, LOUISIANA

Combined Schedule of Certificates of Deposit - All Funds  
September 30, 2019

	<u>Financial Institution</u>	<u>Interest Rate</u>	<u>Certificate Maturity Length of Time</u>	<u>Amount</u>
Sales Tax Fund:				
Certificate of deposit	Home Bank	0.25%	6 month renewal	<u>\$ 161,426</u>
Utility Fund:				
Water -				
Customers' deposits -				
Certificate of deposit	Farmers State Bank	0.72%	12 month renewal	79,472
Certificate of deposit	Farmers State Bank	0.41%	12 month renewal	<u>205,464</u>
Total Water				<u>284,936</u>
Sewerage -				
Certificate of deposit	Farmers State Bank	0.45%	6 month renewal	<u>121,804</u>
Total Sewer				<u>121,804</u>
Total Utility Fund				<u>406,740</u>
Total - all funds				<u>\$ 568,166</u>

TOWN OF CHURCH POINT, LOUISIANA

Schedule of Insurance in Force  
(Unaudited)  
September 30, 2019

Insurer/Agent	Coverage Provided For	Risks Covered	Limits of Coverage (in dollars)	Expiration Date
CNA Surety / The Erny Insurance Agency	Public employees collecting money	Blanket bond	\$ 5,000	08/15/2020
	Public employees position bond		182,000	07/29/2020
Western Surety Company / The Erny Insurance Agency	Town Clerk and Tax Collector	Blanket bond	10,000	06/05/2020
Louisiana Workers' Compensation	Municipal employees	Workers compensation	500,000	09/01/2020
Risk Management Inc.	Municipal employees	Automobile liability	500,000	05/01/2020
		General liability	500,000	05/01/2020
		Law Enforcement Officer	500,000	05/01/2020
		Errors and omissions	500,000	05/01/2020
EMC / Dupre, Carrier, Godchaux	Town Hall, police station, water buildings, reservoirs and tower, fire station buildings, and sewer buildings	Blanket coverage - property damage 90% Co-insurance	9,407,691	06/20/2020
Essex Insurance Co. / Rod Prejean & Associates, Inc.	Automobiles	Physical damage	1,500,000	05/01/2020
	Tractors	Inland Marine	99,836	04/09/2020
Gagliardi Insurance Company	Baseball/softball program insurance	General liability	2,000,000	03/13/2020
		Automobile liability	1,000,000	03/13/2020
		Accidental medical	100,000	03/13/2020
	Parks and Recreation	General liability	5,000,000	08/23/2020
		Accidental medical	100,000	08/23/2020

**INTERNAL CONTROL, COMPLIANCE  
AND  
OTHER MATTERS**

# KOLDER, SLAVEN & COMPANY, LLC

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

The Honorable Ryan Meche, Mayor  
and Members of the Board of Aldermen  
Town of Church Point, 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 Church Point, Louisiana (the Town) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated January 16, 2020.

### Internal Control over Financial Reporting

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

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

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

## **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 that are required to be reported under *Government Auditing Standards*.

## **The Town of Church Point, Louisiana's Response to Findings**

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

## **Purpose of this Report**

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

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
January 16, 2020

TOWN OF CHURCH POINT, LOUISIANA

Summary Schedule of Current and Prior Year Findings  
And Management's Corrective Action Plan (Continued)

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

A. Internal Control Findings –

**2019-001** Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

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

CRITERIA: The Town should have a control policy according to which no person should be given responsibility for more than one related function.

CAUSE: Due to the size of the Town, there are a small number of available employees.

EFFECT: The Town has employees that are performing more than one related function.

RECOMMENDATION: The Town should establish and monitor mitigating controls over functions that are not completely segregated.

MANAGEMENT'S CORRECTION ACTION PLAN: Due to the size of the operations and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

Part II. Prior Year Findings

A. Internal Control Findings -

**2018-001** Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

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

RECOMMENDATION: The Town should establish and monitor mitigating controls over functions that are not completely segregated.

CURRENT STATUS: Unresolved. See finding 2019-001.

**2018-002** Qualified Staff Person to Apply GAAP

Fiscal year finding initially occurred: 2007

CONDITION: The Town did not have a staff person with the necessary qualifications and training to apply GAAP in recording their financial transactions or to prepare their financial statements and related notes.

RECOMMENDATION: The Town should evaluate the cost-benefit of establishing internal controls over the preparation of the financial statements and related notes in accordance with GAAP.

CURRENT STATUS: Resolved.

**Town of Church Point**

Church Point, Louisiana

**Agreed-Upon Procedures Report**

Year Ended September 30, 2019



# KOLDER, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

\* A Professional Accounting Corporation

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

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

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

The procedures and associated findings are as follows:

### *Written Policies and Procedures*

1. We obtained and inspected the entity's written policies and procedures and observed that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
  - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) **Disbursements**, including processing, reviewing, and approving.
  - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
  - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

#### ***Board or Finance Committee***

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

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) Observe that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.
  - c) Obtain the prior year audit report and observe the unassigned fund balance in the General Fund. If the General Fund had a negative ending unassigned fund balance in the prior year audit report, observed that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the General Fund.

#### ***Bank Reconciliations***

3. We obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. We asked management to identify the entity's main operating account. We selected the entity's main operating account and randomly selected 4 additional accounts (or all accounts if less than 5). We randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for selected accounts, and observed that:
  - a) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

- b) Bank reconciliations included evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

### **Collections**

---

- 4. We obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. We randomly selected 5 deposit sites (or all deposit sites if less than 5).
- 5. For each deposit site selected, we obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquired of employees about their job duties) at each collection location, and observed that job duties are properly segregated at each collection location such that:
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
- 6. We inquired of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
- 7. We randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtained supporting documentation for each of the 10 deposits and:
  - a) We observed that receipts are sequentially pre-numbered.
  - b) We traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) We traced the deposit slip total to the actual deposit per the bank statement.
  - d) We observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
  - e) We traced the actual deposit per the bank statement to the general ledger.

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

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

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

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

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

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

### ***Contracts***

---

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

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

### ***Payroll and Personnel***

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16. We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected 5 employees/officials, obtained related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. We randomly selected one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, we obtained attendance records and leave documentation for the pay period, and:
- Observed that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

- b) Observed that supervisors approved the attendance and leave of the selected employees/officials.
  - c) Observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. We obtained a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. We randomly selected two employees/officials, obtained related documentation of the hours and pay rates used in management's termination payment calculations, agreed the hours to the employee/officials' cumulative leave records, and agreed the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. We obtained management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

***Ethics***

---

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

***Debt Service***

---

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

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

***Other***

---

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

**Exceptions:**

---

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

**Written Policies and Procedures:**

1. The entity does not have written policies and procedures relating to budgeting, purchasing, disbursements, receipts/collections, payroll, contracting, credit cards, travel and expense reimbursement, ethics requiring employee written attestation of reading ethics manual, debt service, or disaster recovery/business continuity.

*Management's response:* Management will develop written policies and procedures in all areas.

**Bank Reconciliations:**

2. There was no evidence on the bank reconciliations that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation.

*Management's response:* The entity will implement a policy to review all bank reconciliations prepared and to provide evidence on the bank reconciliation that the procedure has been done.

3. There was no evidence on the bank reconciliations that management is researching reconciling items that have been outstanding for more than 12 months from the statement closing date.

*Management's response:* The entity will implement a policy to research all reconciling items that have been outstanding for more than 12 months from the statement closing date and to provide evidence on the bank reconciliation that the procedure has been done.

**Disbursements:**

4. The employee responsible for processing payments is also responsible for vendor files.

*Management's response:* Management will implement a policy that ascertains that management will review additions to vendor files on a regular basis.

5. The employee who mails the checks is responsible for processing checks.

*Management's response:* Management will implement a policy that the employee who mails the check is not responsible for processing payments.

**Credit Cards:**

6. Of the five credit card statements tested, all five statements were not approved, in writing, by someone other than the authorized card holder.

*Management's response:* Management will have someone other than the authorized card holder review, in writing, all credit card statements.

7. Of the five credit card statements tested, one had purchase interest charges paid.

*Management's response:* Management will implement a policy that assures all payments are made on a timely basis.

8. Of the 18 credit card transactions tested, 5 transactions do not have supporting documentation attached.

**Management's response:** Management will implement a policy to require all supporting documentation be submitted and included with the statement.

**Ethics:**

9. All five employees selected did not have ethics training during this fiscal year.

**Management's response:** Management will ensure all employees participate in ethics training during the fiscal year.

10. All five employees selected did not sign that they have read the entity's ethics policy during the fiscal year.

**Management's response:** Management will ensure all employees verify annually they have read and agreed to the entity's ethics policy.

**Other:**

11. The fight fraud sign is not posted on the entity's website.

**Management's response:** Management will post all necessary documentation on the website.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Town of Church Point and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
January 16, 2020



# KOLDER, SLAVEN & COMPANY, LLC

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May 20, 2020

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The reporting package for the Town of Church Point, Louisiana as of and for the year ended September 30, 2019 was resubmitted to include agreed-upon procedures relative to a Louisiana Division of Administration Office of Community Development grant. Subsequent to the issuance of the reporting package, the Legislative Auditor's office required the agreed-upon procedures to be performed and included with the reporting package in order to meet the requirements of the Louisiana Division of Administration Office of Community Development. There were no modifications to the financial statements nor have any procedures been performed since the date of the auditor's report.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
May 20, 2020

**TOWN OF CHURCH POINT, LOUISIANA**

Agreed-Upon Procedures Report

Year Ended September 30, 2019

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

To the Board of Alderman of the  
Town of Church Point, Louisiana  
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Town of Church Point, Louisiana (Town) and the Louisiana Legislative Auditor (LLA) on the schedule of net position and the schedule of revenues, expenses, and changes in net position for the Town's LCDBG Water System Improvement Project for the fiscal period October 1, 2018 through September 30, 2019. The Town's management is responsible for the presentation of the schedule of net position and the schedule of revenues, expenses, and changes in net position for the Town's LCDBG Water System Improvement Project as of and for the year ended September 30, 2019 in accordance with accounting standards generally accepted in the United States of America. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for purpose or which the report has been requested or for any other purpose.

The procedures and associated findings are as follows:

1. Trace balances per the schedule of net position and the schedule of revenues, expenses, and changes in net position for the Town of Church Point's LCDBG Water System Improvement Project as of and for the year ended September 30, 2019 to the underlying records used in the audit of the financial statements of the Town of Church Point, Louisiana.

*No exceptions noted.*

2. Verify the mathematical accuracy of the schedule of net position and the schedule of revenues, expenses, and changes in net position for the Town of Church Point's LCDBG Water System Improvement Project as of and for the year ended September 30, 2019.

*No exceptions noted.*

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. 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. 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.

This report is intended solely for the information and use of the Town of Church Point, Louisiana and the LLA and is not intended to be and should not be used for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
May 20, 2020

Town of Church Point, Louisiana  
Schedule of Net Position (Unaudited)  
LCDBG Water System Improvement Project  
September 30, 2019

ASSETS

Current assets:	
Grant receivable	<u>\$ 10,908</u>

LIABILITIES

Contracts payable	<u>10,908</u>
-------------------	---------------

Net Position:	
Unrestricted	<u><u>\$ -</u></u>

Town of Church Point, Louisiana

Schedule of Revenues, Expenses, and Changes in Net Position (Unaudited)  
 LCDBG Water System Improvement Project  
 For the Year Ended September 30, 2019

Revenues -	
LCDBG program	\$ 147,375
LCDBG program income	-
Local contribution	-
Other	-
Interest	-
Total revenues	<u>147,375</u>
Expenses -	
Administration	-
Acquisition	-
Engineering	-
Construction	147,375
Laboratory services	-
Construction inspection	-
Construction contingencies	-
Total expenses	<u>147,375</u>
Excess (deficiency) of revenues over expenses	-
Other financing sources (uses)	
Operating transfers in	-
Operating transfers out	-
Total other financing sources (uses)	<u>-</u>
Net change in net position	-
Net position, beginning of year	<u>-</u>
Net position, end of year	<u><u>\$ -</u></u>