

TOWN OF MARINGOUIN, LOUISIANA

FINANCIAL STATEMENTS

September 30, 2023

TOWN OF MARINGOUIN, LOUISIANA

TABLE OF CONTENTS

September 30, 2023

	<u>Exhibit</u>	<u>Page</u>
FINANCIAL SECTION		
Independent Auditors' Report		1
Management's Discussion and Analysis		5
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	A	16
Statement of Activities	A-1	17
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	A-2	18
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	A-3	19
Statement of Revenues, Expenditures, and Changes in Fund Balance	A-4	20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Funds to the Statement of Activities	A-5	21
Proprietary Fund:		
Statement of Net Position	A-6	22
Statement of Revenues, Expenses and Changes in Net Position	A-7	23
Statement of Cash Flows	A-8	24
Notes to Financial Statements	A-9	25
Required Supplementary Information:		
General Fund:		
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	B	54
Fire Protection Fund:		
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	B-1	55
Notes to Required Supplementary Information	B-2	56
Schedule of Proportionate Share of Net Pension Liability	B-3	57
Schedule of Pension Contributions	B-4	59
Notes to the Schedule of Proportionate Share of Net Pension Liability and Schedule of Pension Contributions	B-5	61

TABLE OF CONTENTS (continued)

	<u>Schedule</u>	<u>Page</u>
SCHEDULES (Supplementary Financial Information)		
Water and Sewer System Schedule (Without Audit)	1	64
Schedule of Insurance in Force (Without Audit)	2	65
Schedule of Mayor and Town Council (Without Audit)	3	66
Schedule of Compensation, Benefits and Other Payments to Agency Head	4	67
Justice System Funding Schedule – Collecting/Disbursing Entity	5	68
OTHER REPORTS REQUIRED BY <i>GOVERNMENTAL AUDITING STANDARDS</i>		
Independent Auditors’ Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		69
Schedule of Findings and Responses		71
Schedule of Prior Year Findings		73



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and
Town Council Members
Town of Maringouin, Louisiana

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Maringouin, Louisiana, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund of the Town, as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of proportionate share of net pension liability and schedule of pension contributions on pages 5 through 14 and 54 through 61 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 assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Maringouin, Louisiana's basic financial statements. The schedule of compensation, benefits and other payments to agency head, and justice system funding schedule – collecting/disbursing entity on pages 67 through 68 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the water and sewer system schedule, schedule of insurance in force, schedule of mayor and town council, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 15, 2024, on our consideration of the Town of Maringouin, 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 the effectiveness of the Town of Maringouin, Louisiana's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Maringouin, Louisiana's internal control over financial reporting and compliance.

Diez, Dupuy & Ruiz

March 15, 2024
Gonzales, Louisiana

THIS PAGE INTENTIONALLY LEFT BLANK

TOWN OF MARINGOUIN, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our analysis of the Town of Maringouin's financial performance provides an overview of the Town's financial activities for the fiscal year ended September 30, 2023. Please read it in conjunction with the Town's financial statements, which begin on page 16. The Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts.

The information contained within this MD&A should be considered only a part of a greater whole, as should all other sections in this financial report. The readers of this statement should take the time to read and evaluate all sections of this report, including the footnotes and the Required Supplemental Information (RSI) provided as required components of this annual financial report.

FINANCIAL HIGHLIGHTS

In 2023, the Town of Maringouin experienced an increase in total revenues and an increase in total expenses relative to prior year. The increase in revenues was primarily due to an increase in sales tax revenues of \$320,000 and in operating grants and contributions of \$348,000. The increase in expenses was a result of an increase in the general government expense functions related to community events and maintenance and repairs, as well as an increase in utility operating expenses related to the maintenance and repairs of the utility systems compared to 2022.

The major financial highlights for 2023 are as follows.

- Assets of the Town's primary government exceeded its liabilities at the close of the year by approximately \$11.4 million (net position). Of this amount, approximately \$4.3 million (unrestricted net position) may be used without restrictions to meet the Town's ongoing obligations to citizens and creditors.
- The primary government's total net position increased by approximately \$958,000 during 2023.
- Governmental activities net position increased by approximately \$949,000.
- Business-type activities net position increased by approximately \$9,000.
- As of the end of the year, the primary government's governmental funds reported combined fund balances of approximately \$5.1 million. Approximately 15% of the fund balances, or \$783,000 is restricted for fire protection activities. Additionally, \$44,500 is restricted for debt service related the financing of the new town governmental complex constructed in 2017.

Significant aspects of the Town's financial well-being as of and for the year ended September 30, 2023, are detailed throughout this analysis.

USING THIS ANNUAL REPORT

The Town's financial statements focus on the government as a whole and on major individual funds. Both perspectives allow the reader to address relevant questions, broaden a basis for comparison from year to year, and enhance the Town's accountability.

This annual report consists of a series of financial statements. The government-wide Statement of Net Position and the Statement of Activities (on pages 16 and 17) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances.

Fund financial statements start on page 18. For governmental activities, these statements depict how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds.

Reporting on the Town as a Whole

Our analysis of the Town as a whole begins on page 16. The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way to determine if the Town is in better condition as a result of the year's financial results. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to accounting methods used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods.

These two statements report the Town's net position and related changes. One can think of the Town's net position—the difference between assets and deferred outflows compared to liabilities and deferred inflows—as a way to measure the Town's financial health or financial position. Over time, increases or decreases in the Town's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, such as changes in the Town's property and sales tax base and the condition of the Town's roads and buildings, to assess the overall health of the Town.

In the Statement of Net Position and the Statement of Activities we divide the Town into two kinds of activities, governmental and business-type.

Governmental activities - Most of the Town's basic services are reported here, including public safety, roads and streets, debt service, and general administration. Property and sales taxes, franchise fees, and state and federal grants finance most of these activities.

Business-type activities – The Town charges a fee to customers to help cover the cost of certain services it provides. The Town provides utility services to its residents including gas, water distribution, and wastewater treatment, which is all reported here.

At September 30, 2023, the Town's net position was \$11.4 million, of which \$4.3 million was unrestricted. Restricted net positions are reported separately to show legal constraints from debt covenants and enabling legislation that limits the Town's ability to use those net positions for day-to-day operations.

Our analysis below of the primary government focuses on the net position and change in net position of the Town's governmental activities.

Town of Maringouin, Louisiana
Statement of Net Position
September 30, 2023 and 2022
(in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 5,239	\$ 4,658	\$ 1,150	\$ 1,269	\$ 6,389	\$ 5,927
Deferred outflows of resources	261	187	57	89	318	276
Capital assets	3,214	3,095	4,603	4,889	7,817	7,984
Total assets and deferred outflows of resources	\$ 8,714	\$ 7,940	\$ 5,810	\$ 6,247	\$ 14,524	\$ 14,187
Current and other liabilities	\$ 127	\$ 316	\$ 223	\$ 539	\$ 350	\$ 855
Deferred inflows of resources	7	30	7	9	14	39
Long-term liabilities	1,234	1,197	1,539	1,667	2,773	2,864
Total liabilities and deferred inflows of resources	1,368	1,543	1,769	2,215	3,137	3,758
Net position:						
Net investment in capital assets	2,674	2,313	3,403	3,621	6,077	5,934
Restricted	827	726	228	219	1,055	945
Unrestricted	3,845	3,358	410	192	4,255	3,550
Total net position	\$ 7,346	\$ 6,397	\$ 4,041	\$ 4,032	\$ 11,387	\$ 10,429

The net position of the Town's governmental activities increased by \$949,000 during 2023. Unrestricted net position represents the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements. The \$3.8 million in unrestricted net position of governmental activities represents the accumulated results of operations, or the residual that would remain after the Town paid off all its the debt. The changes in net position are discussed later in this analysis.

The net position of the Town's business-type activities increased by \$9,000 during 2023. The Town operates natural gas, water distribution, and wastewater treatment systems. The increase net position was mainly caused by an increase of \$368,000 in operating grants and contributions for the utility systems.

The results of this year’s operations for the primary government as a whole as reported in the Statement of Activities are as follows:

Town of Maringouin, Louisiana
Changes in Net Position
September 30, 2023 and 2022
(in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 96	\$ 92	\$ 1,156	\$ 1,231	\$ 1,252	\$ 1,323
Operating grants and contributions	13	33	368	-	381	33
Capital grants and contributions	29	64	51	35	80	99
General revenues:						
Sales taxes	2,303	1,983	-	-	2,303	1,983
Ad valorem taxes	20	18	-	-	20	18
Other general revenues	257	143	10	8	267	151
Total revenues	2,718	2,333	1,585	1,274	4,303	3,607
Functions/Program expenses:						
General government	543	432	-	-	543	432
Public safety	542	352	-	-	542	352
Roads and streets	566	521	-	-	566	521
Recreation	3	-	-	-	3	-
Utility operations	-	-	1,676	1,355	1,676	1,355
Interest on long-term debt	15	18	-	-	15	18
Total expenses	1,669	1,323	1,676	1,355	3,345	2,678
Transfers	(100)	(100)	100	100	-	-
Increase in net position	949	910	9	19	958	929
Beginning net position	6,397	5,487	4,032	4,013	10,429	9,500
Ending net position	\$ 7,346	\$ 6,397	\$ 4,041	\$ 4,032	\$ 11,387	\$ 10,429

The increase in the governmental activities’ net position between 2023 and 2022 largely relates to increases in sales taxes by \$320,000 and investment earnings of \$112,000. The primary government expenses increased \$346,000 largely due to an increase in public safety – police personnel related expense and overall increases in repairs and maintenance incurred. Additionally, in 2023, the Town purchased a new police station.

Fund Financial Statements

A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. These statements focus on the major funds rather than generic fund types.

Reporting the Town's Most Significant Funds

Our analysis of the Town's major funds begins on page 18 with the fund financial statements that provide detailed information about the most significant funds and not the Town as a whole. Some funds are required to be established by state law or by bond covenants. However, the Town Council establishes other funds to control and manage money for particular purposes or to meet legal responsibilities for using certain taxes, grants, and other types of resources. The Town's two kinds of funds, governmental and proprietary, use different accounting approaches.

Governmental funds—Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Most of the Town's basic services are reported in governmental funds. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship (or differences) between governmental activities, reported in the Statement of Net Position and the Statement of Activities, and governmental funds are described in a reconciliation to the financial statements. The governmental major funds presentation (Exhibits A-2 and A-4) is presented using the modified accrual basis of accounting and focuses on the major funds of the Town.

Proprietary funds—When the Town charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the Town's enterprise funds are the same as the business-type activities we report in the government-wide statements but more detail and additional information, such as cash flows, is provided for proprietary funds.

Notes to the financial statements—The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are a required part of the basic financial statements and can be found in Exhibit A-9.

Other information—In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning original and final budgetary comparisons to actual results for the year for the Town's major funds, along with schedule related to the Town's proportionate share of net pension liability and related pension contributions.

Financial Analysis of the Government's Funds

The general government operations of the Town are accounted for in the General Fund and Special Revenue Fund entitled the Fire Protection Fund. The focus of these funds, as noted earlier, is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town's financing requirements.

The following is a summary of general governmental operations for 2023 and 2022 by fund type:

	(in thousands)			
	2023		2022	
	General Fund	Special Revenue Fund	Total	Total
Revenues and other financing sources	\$ 2,405	\$ 299	\$ 2,704	\$ 2,263
Expenditures and other financing uses	1,738	197	1,935	1,687
Net change in fund balance	667	102	769	576
Beginning of year	3,668	681	4,349	3,773
Ending of year	<u>\$ 4,335</u>	<u>\$ 783</u>	<u>\$ 5,118</u>	<u>\$ 4,349</u>

The Town's governmental funds experienced an increase in fund balance of \$769,000 during 2023, primarily due an increase in sales tax revenues of \$320,000 and investment earnings of \$112,000. At year end, fund balances were approximately \$5.1 million. Approximately \$783,000 of the governmental fund balance is restricted for funding fire protection activities and \$44,000 being restricted for debt service. Of the remaining fund balance, \$4.3 million is unassigned and available for utilization at the Town's discretion. The unassigned fund balance is accounted for in the Town's General Fund.

The General Fund is the chief operating fund of the Town. At the end of the 2023 fiscal year the General Fund's total assets were approximately \$4.3 million, of which approximately \$4 million is cash, cash equivalents or investments, of which includes restricted cash of \$44,000. During 2023, the fund balance of the General Fund increased by approximately \$667,000.

The Town's other major governmental fund is the Fire Protection Fund, which is a special revenue fund. This fund balance increased by approximately \$102,000 during 2023 compared to an increase in fund balance of \$122,000 during 2022 due to an increase in sales tax revenues.

Sources of governmental revenues and other financing sources are summarized below:

Revenue by source	(in thousands)			
	2023		2022	
	Amount	Percent	Amount	Percent
Taxes	\$ 2,363	87.4	\$ 2,039	90.1
Charges for services	88	3.4	89	4.0
Fines	8	0.3	3	0.1
Intergovernmental	42	1.6	98	4.3
Other	203	7.3	34	1.5
Total	<u>\$ 2,704</u>	<u>100.0</u>	<u>\$ 2,263</u>	<u>100.0</u>

Revenues of the governmental fund types increased by approximately \$441,000 in 2023 due to increase in taxes of \$320,000, investment earnings of \$112,000, and insurance proceeds of \$42,000.

Expenditures and other financing uses of the governmental funds increased by approximately \$248,000 in 2023. Expenditures, by each major function, are summarized in the following table:

<u>Expenditures by function</u>	(in thousands)			
	2023		2022	
	Amount	Percent	Amount	Percent
General government	\$ 482	24.9	\$ 374	22.2
Public safety	447	23.1	312	18.5
Roads and streets	518	26.8	445	26.4
Debt services	82	4.2	80	4.7
Capital outlay	306	15.8	376	22.3
Transfers to Utility Fund	100	5.2	100	5.9
	<u>\$ 1,935</u>	<u>100.0</u>	<u>\$ 1,687</u>	<u>100.0</u>

The increase in expenditures and other financing uses was largely due to an increase in general government expenditures of \$132,000 related to community events, insurance costs, and personnel cost as well as public safety expenditures of \$142,000 related to personnel costs increases for the police department and increases in fire department equipment repairs.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year the Town’s General Fund budget was amended. The amendment of the operating and capital budgets is a customary practice of the Town and is reflective of the financial changes that occur throughout the fiscal year. The most significant reasons for these budget amendments during 2023 were as follows:

- An increase in sales tax revenues by \$300,000,
- An increase in investment earnings by \$42,500,
- An increase in general government expenditures by \$61,700,
- An increase in public safety expenditures by \$24,000,
- An increase in roads and streets department expenditures by \$128,000,
- An increase in capital outlay expenses of \$139,000.

With these adjustments, the actual charges to appropriations (expenditures) were \$222,000 less than the related final budget appropriations of \$1,859,600. Actual revenues were \$427,000 more than related final budget of \$1,936,000.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2023 the Town had \$7.8 million invested in a broad range of capital assets, including vehicles, fire equipment, computer equipment, office furniture, land, buildings, roads, and utility systems. This amount represents a net decrease of approximately \$168,000, or approximately 2%, over last year and is related primarily to equipment purchases and capital projects net of current year depreciation. The Town's capital assets, net of depreciation, at September 30, 2023 were as follows:

	(in thousands)		
	Governmental Activities	Business-type Activities	Totals
Land	\$ 623	\$ 9	\$ 632
Buildings	1,369	-	1,369
Equipment and vehicles	181	33	214
Utility plant	-	4,526	4,526
Infrastructure	915	-	915
Construction in progress	126	35	161
Total assets, net of depreciation	\$ 3,214	\$ 4,603	\$ 7,817

The Town’s final 2023 capital outlay budget provided for expenditures of \$492,500, primarily for the purchase of a new police station, fire protection equipment, various equipment for the public works department, and waterworks system improvements. More detailed information about the Town’s capital assets is presented in Note 6 to the financial statements.

Long-term Liabilities

At year-end, the Town had approximately \$2.86 million in long-term liabilities outstanding, comparable to the previous year, as shown below:

	Balance at 9/30/2022	Additions	Reductions	Balance at 9/30/2023
<u>Governmental activities:</u>				
Revenue bonds	\$ 606,000	\$ -	\$ 66,000	\$ 540,000
General debt obligations				
Claim payable	60,184	-	-	60,184
Net pension liability	531,048	102,254	-	633,302
Total governmental	<u>\$ 1,197,232</u>	<u>\$ 102,254</u>	<u>\$ 66,000</u>	<u>\$ 1,233,486</u>
<u>Business-type activities:</u>				
Revenue bonds	\$ 760,562	\$ -	\$ 24,485	\$ 736,077
Refunding bond	507,000	-	51,000	456,000
Net pension liability	399,393	-	53,344	346,049
Total business-type	<u>\$ 1,666,955</u>	<u>\$ -</u>	<u>\$ 128,829</u>	<u>\$ 1,538,126</u>
	<u><u>\$ 2,864,187</u></u>	<u><u>\$ 102,254</u></u>	<u><u>\$ 194,829</u></u>	<u><u>\$ 2,771,612</u></u>

The state of Louisiana limits the amount of general obligation debt that municipalities can issue to 35% of the assessed value of all taxable property within the Town's corporate limits. More detailed information about the Town's long-term liabilities is presented in Notes 7 and 8 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S GENERAL FUND BUDGET

The Town's elected and appointed officials considered many factors when setting the 2024 fiscal year budget and tax rates, including the national and state economies. The largest taxpayers to the Town are primarily companies involved in the oil refining and petrochemical processing sectors which are located throughout Iberville Parish. The spending activities of these industries can significantly impact the Town's sales and use tax revenues.

A second important factor affecting the budget is the Town's sales tax collections, which are approximately 89% of total budgeted revenues of the General Fund. The Town believes that other tax revenue will remain consistent with actual revenues reported in 2023. The total General Fund expenditures for 2024 are projected to increase approximately \$761,100 compared to actual 2023 expenditures due to increases in road and street expenses for drainage projects totaling \$800,000, offset by a decrease in capital outlay of approximately \$210,000 compared to 2023 capital outlay spending of the General Fund.

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to show accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Town's Finance Office at (225) 625-2630 or P.O. Box 10, Maringouin, Louisiana, 70757.

BASIC FINANCIAL STATEMENTS

TOWN OF MARINGOUIN, LOUISIANA

Exhibit A

STATEMENT OF NET POSITION

September 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 4,649,939	\$ 653,280	\$ 5,303,219
Investments	104,712	-	104,712
Due from other governments	367,178	-	367,178
Accounts receivable, net	47,722	133,947	181,669
Prepaid expenses	25,804	1,461	27,265
Restricted assets:			
Cash and cash equivalents	44,286	77,970	122,256
Investments	-	283,998	283,998
Capital assets:			
Non-depreciable	748,552	44,045	792,597
Depreciable, net	2,465,215	4,558,930	7,024,145
Total assets	8,453,408	5,753,631	14,207,039
DEFERRED OUTFLOWS OF RESOURCES			
Pension liability	261,136	56,863	317,999
Total assets and deferred outflows of resources	\$ 8,714,544	\$ 5,810,494	\$ 14,525,038
LIABILITIES			
Accounts payable	\$ 78,434	\$ 61,769	\$ 140,203
Accrued expenses	49,293	6,551	55,844
Contracts payable	-	8,006	8,006
Customer deposits	-	133,602	133,602
Unearned revenue	-	14,535	14,535
Noncurrent liabilities:			
Due within one year	128,184	78,568	206,752
Due in more than one year	1,105,302	1,459,558	2,564,860
Total liabilities	1,361,213	1,762,589	3,123,802
DEFERRED INFLOWS OF RESOURCES			
Pension liability	7,331	6,610	13,941
Total liabilities and deferred inflows of resources	1,368,544	1,769,199	3,137,743
NET POSITION			
Net investment in capital assets	2,673,767	3,402,892	6,076,659
Restricted for:			
Debt service	44,492	228,160	272,652
Fire protection	782,812	-	782,812
Unrestricted	3,844,929	410,243	4,255,172
Total net position	7,346,000	4,041,295	11,387,295
Total liabilities, deferred inflows of resources, and net position	\$ 8,714,544	\$ 5,810,494	\$ 14,525,038

Notes on Exhibit A-9 are an integral part of this statement.

TOWN OF MARINGOUIN, LOUISIANA

STATEMENT OF ACTIVITIES

For the year ended September 30, 2023

	Program Revenues				Net (Expenses) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs							
Primary government:							
Governmental activities:							
General government	\$ 542,750	\$ 65,316	\$ -	\$ -	\$ (477,434)	\$ -	\$ (477,434)
Public safety:							
Police	370,044	8,276	-	-	(361,768)	-	(361,768)
Fire	171,671	-	12,570	-	(159,101)	-	(159,101)
Roads and streets	566,875	2,850	-	29,070	(534,955)	-	(534,955)
Recreation	2,571	19,995	-	-	17,424	-	17,424
Interest on long-term debt	15,284	-	-	-	(15,284)	-	(15,284)
Total governmental activities	<u>1,669,195</u>	<u>96,437</u>	<u>12,570</u>	<u>29,070</u>	<u>(1,531,118)</u>	<u>-</u>	<u>(1,531,118)</u>
Business-type activities:							
Utility operations	<u>1,675,773</u>	<u>1,156,447</u>	<u>367,933</u>	<u>51,125</u>	<u>-</u>	<u>(100,268)</u>	<u>(100,268)</u>
Total primary government	<u>\$ 3,344,968</u>	<u>\$ 1,252,884</u>	<u>\$ 380,503</u>	<u>\$ 80,195</u>	<u>(1,531,118)</u>	<u>(100,268)</u>	<u>(1,631,386)</u>
General revenues:							
Taxes:							
Sales and use					2,302,950	-	2,302,950
Insurance premium					38,383	-	38,383
Ad valorem					20,426	-	20,426
Other					1,352	-	1,352
Grants and contributions not restricted to specific programs							
Pension revenue					6,549	-	6,549
Other					13,353	7,123	20,476
Investment earnings					155,219	3,237	158,456
Proceeds from insurance					41,893	-	41,893
Transfers					(100,000)	100,000	-
Total general revenues and transfers					<u>2,480,125</u>	<u>110,360</u>	<u>2,590,485</u>
Change in net position					949,007	10,092	959,099
NET POSITION							
Beginning of year					<u>6,396,993</u>	<u>4,031,203</u>	<u>10,428,196</u>
Ending of year					<u>\$ 7,346,000</u>	<u>\$ 4,041,295</u>	<u>\$ 11,387,295</u>

Notes on Exhibit A-9 are an integral part of this statement.

TOWN OF MARINGOUIN, LOUISIANA

BALANCE SHEET
GOVERNMENTAL FUNDS

September 30, 2023

	<u>General Fund</u>	<u>Fire Protection Fund</u>	<u>Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 3,851,746	\$ 798,193	\$ 4,649,939
Investments	104,712	-	104,712
Due from other government	345,164	22,014	367,178
Accounts receivable, net	47,722	-	47,722
Prepaid expenses	25,804	-	25,804
Restricted assets	<u>44,286</u>	<u>-</u>	<u>44,286</u>
Total assets	<u>\$ 4,419,434</u>	<u>\$ 820,207</u>	<u>\$ 5,239,641</u>
LIABILITIES			
Accounts payable	\$ 41,039	\$ 37,395	\$ 78,434
Accrued expenses	<u>43,241</u>	<u>-</u>	<u>43,241</u>
Total liabilities	<u>84,280</u>	<u>37,395</u>	<u>121,675</u>
FUND BALANCE			
Nonspendable	25,804	-	25,804
Restricted for debt service	44,492	-	44,492
Restricted for fire protection	-	782,812	782,812
Unassigned	<u>4,264,858</u>	<u>-</u>	<u>4,264,858</u>
Total fund balance	<u>4,335,154</u>	<u>782,812</u>	<u>5,117,966</u>
Total liabilities and fund balance	<u>\$ 4,419,434</u>	<u>\$ 820,207</u>	<u>\$ 5,239,641</u>

Notes on Exhibit A-9 are an integral part of this statement.

TOWN OF MARINGOUIN, LOUISIANA

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

September 30, 2023

Total fund balances - governmental funds (Exhibit A-2)		\$	5,117,966
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 governmental funds			3,213,767
Pension liabilities, deferred inflows and deferred outflows of resources			
Deferred outflows related to pension liability	261,136		
Deferred inflows related to pension liability	(7,331)		
Net pension liability	(633,302)		(379,497)
Liabilities (e.g. bonds, leases), current and long-term, that are not due and payable in the current period and, therefore, are not reported in the governmental funds			
Accrued interest	(6,052)		
Claims payable	(60,184)		
Bonds payable	(540,000)		(606,236)
Net position of governmental activities (Exhibit A)		\$	7,346,000

Notes on Exhibit A-9 are an integral part of this statement.

TOWN OF MARINGOUIN, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS

For the year ended September 30, 2023

	General Fund	Fire Protection Fund	Total Governmental Funds
REVENUES			
Taxes:			
Sales and use	\$ 2,039,842	\$ 263,108	\$ 2,302,950
Insurance premium	38,383	-	38,383
Ad valorem	20,426	-	20,426
Other	1,352	-	1,352
Charges for services:			
Licenses, fees, and permits	65,316	-	65,316
Rental income	19,995	-	19,995
Other	2,850	-	2,850
Fines	8,276	-	8,276
Intergovernmental	29,070	12,570	41,640
Investment earnings	131,795	23,424	155,219
Miscellaneous	6,299	250	6,549
Total revenues	<u>2,363,604</u>	<u>299,352</u>	<u>2,662,956</u>
EXPENDITURES			
Current function:			
General government	481,824	-	481,824
Public safety:			
Police	300,841	-	300,841
Fire	-	146,432	146,432
Roads and streets	517,922	-	517,922
Debt service	82,025	-	82,025
Capital outlay	254,966	51,302	306,268
Total expenditures	<u>1,637,578</u>	<u>197,734</u>	<u>1,835,312</u>
Excess of revenues over expenditures	726,026	101,618	827,644
OTHER FINANCING SOURCES (USES)			
Proceeds from insurance	41,893	-	41,893
Transfer out	(100,000)	-	(100,000)
Total other financing sources (uses)	<u>(58,107)</u>	<u>-</u>	<u>(58,107)</u>
Net change in fund balance	667,919	101,618	769,537
FUND BALANCE			
Beginning of year	<u>3,667,235</u>	<u>681,194</u>	<u>4,348,429</u>
End of year	<u>\$ 4,335,154</u>	<u>\$ 782,812</u>	<u>\$ 5,117,966</u>

Notes on Exhibit A-9 are an integral part of this statement.

TOWN OF MARINGOUIN, LOUISIANA

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

For the year ended September 30, 2023

Net change in fund balance - total governmental fund (Exhibit A-4) \$ 769,537

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

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation.

Capital outlay	\$ 306,268	
Depreciation and amortization expense	<u>(187,550)</u>	118,718

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds. 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 is an expenditure in the governmental funds but reduces the liability in the statement of activities.

Principal payments on debt		66,000
----------------------------	--	--------

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued interest expense		741
--------------------------	--	-----

Changes in net pension obligations are reported only in the Statement of Activities		<u>(5,989)</u>
---	--	----------------

Change in net position of governmental activities (Exhibit A-1)		<u>\$ 949,007</u>
---	--	-------------------

**TOWN OF MARINGOUIN, LOUISIANA
 PROPRIETARY FUND - PUBLIC UTILITY FUND**

Exhibit A-6

STATEMENT OF NET POSITION

September 30, 2023

ASSETS

Current assets:

Cash and cash equivalents	\$	653,280
Accounts receivable, net		133,947
Prepays expenses		1,461

Restricted assets:

Cash and cash equivalents		77,970
Investments		283,998

Total current assets		1,150,656
----------------------	--	-----------

Noncurrent assets:

Capital assets:

Non-depreciable		44,045
Depreciable, net		4,558,930

Total noncurrent assets		4,602,975
-------------------------	--	-----------

Total assets		5,753,631
--------------	--	-----------

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pension liability		56,863
--	--	--------

Total assets and deferred inflows of resources	\$	5,810,494
--	----	-----------

LIABILITIES

Current liabilities:

Accounts payable	\$	61,769
Contracts payable		8,006
Accrued expenses		6,551
Customer deposits		133,602
Unearned revenue		14,535
Current portion of long-term debt		78,568

Total current liabilities		303,031
---------------------------	--	---------

Noncurrent liabilities:

Long-term debt		1,113,509
Net pension liability		346,049

Total noncurrent liabilities		1,459,558
------------------------------	--	-----------

Total liabilities		1,762,589
-------------------	--	-----------

DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to pension liability		6,610
---	--	-------

Total liabilities and deferred inflows of resources		1,769,199
---	--	-----------

NET POSITION

Net investment in capital assets		3,402,892
Restricted for debt service		228,160
Unrestricted		410,243

Total net position		4,041,295
--------------------	--	-----------

Total liabilities, deferred inflows of resources and net position	\$	5,810,494
---	----	-----------

Notes on Exhibit A-9 are an integral part of this statement.

**TOWN OF MARINGOUIN, LOUISIANA
PROPRIETARY FUND - PUBLIC UTILITY FUND**

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION**

For the year ended September 30, 2023

OPERATING REVENUES

Charges for services:

Gas sales	\$ 468,552
Water sales	443,756
Sewer user fees	202,430
Other	41,709
	<u>1,156,447</u>

Total operating revenues	<u>1,156,447</u>
--------------------------	------------------

OPERATING EXPENSES

Personnel	290,063
Depreciation	363,352
Repairs and maintenance	594,034
Professional services	82,527
Gas purchases	127,730
Utilities	59,402
Insurance	41,418
Billing supplies	21,366
Other	46,363
	<u>1,626,255</u>

Total operating expenses	<u>1,626,255</u>
--------------------------	------------------

Operating loss	(469,808)
----------------	-----------

NONOPERATING REVENUES (EXPENSES)

Pension revenue	7,123
Interest income	3,237
Interest expense	(49,518)
	<u>(39,158)</u>

Total nonoperating revenues (expenses), net	<u>(39,158)</u>
---	-----------------

Loss before operating grants and contributions	(508,966)
--	-----------

OPERATING GRANTS AND CONTRIBUTIONS	367,933
---	---------

CAPITAL GRANTS AND CONTRIBUTIONS	<u>51,125</u>
---	---------------

Loss before transfers	(89,908)
-----------------------	----------

Transfer in	<u>100,000</u>
-------------	----------------

Net income	10,092
------------	--------

NET POSITION

Beginning of year	<u>4,031,203</u>
-------------------	------------------

End of year	<u>\$ 4,041,295</u>
-------------	---------------------

Notes on Exhibit A-9 are an integral part of this statement.

**TOWN OF MARINGOUIN, LOUISIANA
PROPRIETARY FUND - UTILITY FUND**

STATEMENT OF CASH FLOWS

For the year ended September 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 1,176,369
Payments to employees	(306,200)
Payments to suppliers	(934,278)
	<u>(64,109)</u>

Net cash used for operating activities

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Transfers in	<u>100,000</u>
--------------	----------------

**CASH FLOWS FROM CAPITAL AND
RELATED FINANCING ACTIVITIES**

Proceeds from capital grants	51,125
Capital asset additions	(69,154)
Principal paid on long-term debt	(75,484)
Interest paid on long-term debt	(49,518)
	<u>(143,031)</u>

Net cash used for capital and related financing activities

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income	3,237
Reinvestment of interest income	(1,456)
	<u>1,781</u>

Net cash provided by investing activities

Net decrease in cash and cash equivalents

(105,359)

CASH AND CASH EQUIVALENTS

Beginning of period	<u>836,609</u>
End of period	<u>\$ 731,250</u>

**RECONCILIATION OF OPERATING LOSS TO
NET CASH USED FOR ACTIVITIES:**

Operating loss	\$ (469,808)
Adjustments to operating loss:	
Decrease to allowance for doubtful accounts	(13,963)
Depreciation	363,352
Pension revenue	7,123
Change in operating assets and liabilities:	
Accounts receivable	27,248
Prepaid assets	239
Accounts payable and other liabilities	45,150
Net pension liability and related deferred inflows and outflows	<u>(23,450)</u>
Net cash used for operating activities	<u>\$ (64,109)</u>

**RECONCILIATION OF CASH AND CASH EQUIVALENTS
TO THE STATEMENT OF NET POSITION:**

Cash and cash equivalents	\$ 653,280
Restricted cash and cash equivalents	<u>77,970</u>
Total cash	<u>\$ 731,250</u>

Notes on Exhibit A-9 are an integral part of this statement.

TOWN OF MARINGOUIN, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement Presentation

The financial statements of the Town of Maringouin, Louisiana (the Town) have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

In June 1999 the GASB approved Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* (GASB 34). Certain of the significant changes in the Statement include the following:

- Providing a Management’s Discussion and Analysis (MD&A) section which includes an analysis of the Town’s overall financial position and results of operations;
- Financial statements prepared using full accrual accounting for all of the Town’s activities; and
- A change in the fund financial statements to focus on the major funds.

Current Accounting Standards Implemented

During the year, the Town implemented policies established under GASB Statement No. 96, *Subscription Based Information Technology Agreements (SBITAs)*. This statement provides guidance on the accounting and financial reporting for SBITAs for government end users. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including the implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The adoption of this statement did not materially impact the City’s governmental or business-type activities for the year ended September 30, 2023.

Reporting Entity

For reporting purposes, the Town, as the municipal governing authority, is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary municipal government, and where applicable (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (continued)

Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 61, established criteria for determining which component units should be considered part of the Town for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability.

The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the municipality to impose its will on that organization, and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific burdens on the municipality.
2. Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

As required by generally accepted accounting principles, these financial statements present the Town and, where applicable, its component units. However, there are no component units to be included either blended within the Town's funds or discretely presented in these financial statements.

Basis of Presentation

The Town's basic financial statements consist of the government-wide statements of the primary government (the Town) and the fund financial statements (individual major funds and combined non-major funds). In 2023, there were no non-major funds. The Town's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

Government-wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities for all non-fiduciary activities of the Town. As a general rule, the effect of interfund activity has been removed from these statements. The government-wide presentation focuses primarily on the sustainability of the government as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These statements distinguish between the governmental and business-type activities of the Town.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide Financial Statements (continued)

Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Business-type activities are financed in whole or part by fees charged to external parties for utility services provided. The Town's utility services are classified as business-type activities.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or business-type activity, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

The fund financial statements are very similar to the traditional government fund statements as prepared by governments prior to the issuance of GASB 34. Emphasis is now on the major funds in either the governmental or business-type categories. Nonmajor funds (by category or fund type) are summarized into a single column.

The daily operations of the Town continue to be organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures or expenses, as appropriate. Funds are organized into three major categories: governmental, proprietary and fiduciary. The Town does not have any fiduciary funds. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

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

Also, the Town may elect to treat any fund as a major fund that may not meet the above criteria. The Town considers the General Fund, the Fire Protection special revenue and the Utility Fund major funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements (continued)

Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be expended and the means by which spending activities are controlled. The various funds and account groups of the primary government presented in the financial statements are described below.

Governmental Fund Types

Governmental funds are those through which most governmental functions of the Town are financed. The acquisition, use, and balances of expendable financial resources and related liabilities of the Town are accounted for through governmental funds. Measurement is focused on changes in financial position rather than net income. The following are the governmental fund types:

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

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The Town has elected to treat the Fire Protection Fund, a special revenue fund, as a major fund.

Debt Service Funds - Debt service funds are used to account for the accumulation of resources for and the payment of general long-term debt principal, interest, and related costs. The Town does not maintain any debt service funds.

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. The Town does not maintain any capital projects funds.

Proprietary Fund/Enterprise Fund Types - Enterprise funds are used to account for operations (1) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs and 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 (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Town's enterprise fund, the Utility Fund, is considered a major fund.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting and Measurement Focus

Government-wide financial statements

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

Fund financial statements

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

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). "Available" means collectible within the current period or within 60 days after year-end. Charges for services, fines and forfeitures, and most governmental miscellaneous revenues are recorded as earned since they are measurable and available.

Nonexchange transactions, in which the Town receives value without directly giving value in return, include sales and use taxes, ad valorem taxes, and federal and state aid and grants.

Ad valorem taxes are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15th of each year, and become delinquent after December 31st. The taxes are generally collected in December, January and February of the current fiscal year. Sales taxes are recorded when in the possession of the intermediary collecting agent and are recognized as revenue at that time. Federal and state aid and grants are recorded as revenue when the Town is entitled to the funds, generally corresponding to when grant related costs are incurred by the Town.

Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable, except for (1) unmatured interest on general long-term debt, which is recognized when due, and (2) claims and judgments, which are recorded as expenditures in the governmental fund type when paid with expendable financial resources. Allocations of costs such as depreciation and amortization are not recognized in the governmental funds.

All proprietary funds are accounted for on a flow of economic resources measurement focus. Proprietary funds are maintained on the accrual basis of accounting wherein revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized in the period incurred, if measurable.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash includes amounts in demand deposit accounts, interest-bearing demand deposit accounts, and money market accounts as well as Louisiana Asset Management Pool (LAMP) accounts. Cash equivalents include amounts in savings and time deposits and certificates of deposit with original maturities of ninety days or less. Certificates of deposit with maturities of ninety days or more are classified as investments.

Consolidated bank accounts have been established for the Town into which substantially all monies are deposited and from which most disbursements are made. In addition, investment purchases are charged, and maturities are deposited to the consolidated bank account. The purpose of the consolidation of bank accounts was to provide administrative efficiency and to maximize investment earnings. The accounts entitled "Cash and Cash Equivalents" are therefore composed of a fund's pro rata share of the cash balance in the consolidated cash account plus its pro rata share of investments made through the investment of excess cash.

The investment policy of the Town is governed by state statutes that include depository and custodial contract provisions. The Town invests funds in accordance with La. R.S. 39:1211-1245 and 33:2955 which include, but are not limited to, United States Treasury Bonds, Treasury Notes, Treasury Bills, and fully collateralized interest-bearing checking accounts and certificates of deposit. Other provisions require depositories to insure or collateralize all deposits in accordance with state law and require securities collateralizing deposits to be held by an independent third party with whom the Town has a custodial agreement. The Town utilizes the Louisiana Asset Management Pool to invest idle funds records amounts invested at fair value.

For purposes of the Statement of Cash Flows, liquid investments of the enterprise fund with a maturity of three months or less are considered to be cash equivalents. See Note 2.

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. See Note 2.

Accounts Receivable

In the government-wide statements receivables consist of all revenues earned at year-end and not yet received. For governmental activities uncollectible amounts due for receivables are recognized as bad debts directly charged off at the time information becomes available which indicates that the particular receivable is not collectible. In governmental fund types, the uncollectible amount is charged directly to the revenue reported. In business-type activities, uncollectible amounts due from utility billing receivables are recognized as bad debts through the use of an allowance account or are directly charged off at the time information becomes available which indicates that the particular receivable is not collectible. An allowance for doubtful accounts of \$30,438 was recorded at September 30, 2023.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

The Town does not record any inventories of materials or supplies. These items are recorded as expenditures when purchased rather than when consumed. Materials and supplies on hand at year end are not considered material and, accordingly, the failure to record such inventories is not considered to be a significant departure from generally accepted accounting principles.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are recorded as expenditures when consumed, rather than when purchased.

Interfund Receivables and Payables

During the course of operations transactions may occur between individual funds. Those related to short-term borrowings are classified as “Due from other funds” or “Due to other funds” on the balance sheet and result primarily from participation in the consolidated cash account. Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Right-of-Use Assets

Right-of-use assets are a result of leases in which the Town has entered into a contract with a lessor that conveys control of the right to use the lessor’s nonfinancial asset as specified by the contract for a period of time in an exchange-like transaction. Such assets are reported on the government-wide statements net of amortization. Right-of-use assets are amortized at the lesser of the useful life or lease term. The Town has not entered into any agreements gaining control of the right to use a lessor’s nonfinancial assets as described above at September 30, 2023.

Subscription-Based Information Technology Arrangements

Subscription-based information technology arrangements (SBITA) are a contract that conveys control of the right to use another party’s information technology software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. Such assets are reported on the government-wide financial statement net of amortization. SBITA are amortized during the extent of the agreement. The Town has not entered into any material agreements gaining control of the right to use another party’s information technology as described above at September 30, 2023.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

The accounting treatment of property, plant, and equipment (capital assets) 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.

Government-wide Statements

In the government-wide financial statements, long-term assets are accounted for as capital assets, which include land and land improvements, buildings, equipment, furniture and infrastructure assets (streets, roads, bridges, sewer and drainage systems). All capital assets are valued at historical cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated acquisition value at the date of donation. Major outlays for capital assets and improvements are capitalized at the completion of construction projects.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are expensed. Improvements are capitalized.

Prior to the implementation of GASB 34 the infrastructure assets of the Town's governmental funds were capitalized but not depreciated. These assets are comprised of the streets maintained by the Town and have been valued at 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 recorded 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:

Utility system	5-40 years
Buildings and structures	5-39 years
Equipment and Vehicles	5-15 years
Infrastructure	5-20 years

Fund Financial Statements

In the fund financial statements capital acquisition and construction costs used in governmental fund operations are not capitalized and depreciated, but instead are reflected as expenditures in the governmental funds.

Property, plant and equipment used by the proprietary funds are stated at cost. Depreciation has been provided over the estimated useful lives of the assets using the straight-line method.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

In the government-wide statement of net position and in the proprietary fund financial statements, long-term debt is reported as a liability. The long-term debt consists primarily of utility revenue bonds and certificates of indebtedness for public improvements.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. Instead, the debt proceeds are reported as other financing sources, and payment of principal and interest is reported as expenditures. The accounting for proprietary fund debt is the same in the fund statements as it is in the government-wide statements. The Town is not obligated for any special assessment debt.

Compensated Absences

GASB Statement No. 16 provides that vacation leave should be accrued as a liability as the benefits are earned if (1) the rights to receive the compensation are attributable to services already rendered and, (2) it is probable that the employee will be compensated through paid time off or cash payment upon termination or retirement. Permanent, full-time employees earn annual leave on the anniversary date of their employment based upon years of service. Such leave may not carry over or accumulate from one anniversary date to another. Additionally, since vacation leave is not paid upon retirement or termination, there is no accrual of the liability for unused vacation leave.

GASB Statement No. 16 requires the accrual for sick leave to the extent it is probable that benefits will be paid in cash upon termination or retirement rather than as payments for absences due to illness or other contingency. Sick leave is earned at the rate of one day per month to a maximum of ten days per year, and no more than thirty days may be accumulated at any time. Policy provides that sick leave is paid only for designated absences and that no payment for accrued sick leave is made upon retirement or termination. Therefore, accrual of the liability for unused sick leave is not required.

Pensions

For purposes of measuring the net pensions liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees' Retirement System of Louisiana (MERS) and Municipal Police Employees' Retirement System of Louisiana (MPERS) and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by MERS and MPERS.

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then. The Town has one item that qualifies for this category, pension liability, which is reported in the government-wide statement.

In addition to liabilities, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) at that time. The Town has one item that qualify for this category, pension liability. The amounts deferred and recognized as an inflow of resources in the period that the amounts become available. The Town has one item that qualifies for this category, pension liability, which is reported in the government-wide statement.

Government-wide and Proprietary Fund Net Position

Government-wide and proprietary fund net position is divided into three components:

- Net investment in capital assets - consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted - consist of net position that is restricted by the Town's creditors (for example, through debt covenants), by state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted - all other net position is reported in this category.

Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

- Nonspendable - Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted - Amounts that can be spent only for specific purposes because of the Town Charter, the Town Code, state or federal laws, or externally imposed conditions by grantors or creditors.
- Committed - Amounts that can be used only for specific purposes determined by a formal action by Town Council ordinance. This includes the budget reserves.
- Assigned - Amounts that are designated by the Mayor for a particular purpose but are not spendable until a budget ordinance is passed or there is a majority vote approval (for capital projects or debt service) by Town Council.
- Unassigned - All amounts not included in other spendable classifications.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Restricted Resources

When an expense is incurred in government activities that can be paid using either restricted or unrestricted resources (net position), the Town's policy is to first apply the expense to the restricted net position before unrestricted net position is utilized.

When an expenditure is incurred in governmental funds that can be paid using either restricted or unrestricted resources (fund balance), the Town's policy is to apply the expenditure in the following priority: 1) restricted fund balance, 2) committed fund balance, 3) assigned fund balance, and 4) unassigned fund balance.

Interfund Transfers

Advances between funds which are not expected to be repaid are accounted for as transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

In those cases where repayment is expected, the advances are accounted for through the various interfund accounts.

During 2023, the General Fund transferred \$100,000 to Utility Fund.

Budget Policies and Budgetary Accounting

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

1. The Town Clerk and Mayor prepare a proposed budget and submit it to the Town Council no later than fifteen days prior to the beginning of each fiscal year.
2. A notice is published to inform the public that the proposed budget is available for public inspection and the date, time, and location of the public hearing concerning the budget.
3. A public hearing is held on the proposed budget at least ten days following publication of the call for the hearing.
4. After the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a budget and appropriation ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Total departmental expenditures constitute the legal level of budgetary control. That is, budgetary amendments involving the transfer of funds from one department, program or function to another or those involving increases in department expenditures resulting from proposed spending of revenues that exceed amounts estimated require approval of the Town Council.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budget Policies and Budgetary Accounting (Continued)

6. All budgetary appropriations lapse at the end of each fiscal year.
7. General and special revenue fund budgets as presented for comparison in this report are adopted under the modified accrual basis of accounting. The proprietary public utility fund budget as presented for comparison is adopted under the accrual basis of accounting. Such budgetary methods are consistent with generally accepted accounting principles (GAAP). Budgeted amounts presented are as originally adopted or as amended from time to time by the Town Council. Such amendments were not material in relation to the original appropriation.

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 disclosures of contingent assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds and the government-wide financial statements during the reporting period. Actual results could differ from those estimates. Estimates are used primarily when accounting for the allowance for doubtful accounts, prepaid expenses and depreciation.

Reclassification

Certain amounts in the 2022 financial statements have been reclassified to conform to the 2023 financial statement presentation.

Subsequent Events

In preparing these financial statements, the Town has evaluated events and transactions for potential recognition or disclosure through March 15, 2024, the date the financial statements were available to be issued.

NOTE 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

The Town may invest in the United States bonds, treasury notes, or certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the State of Louisiana or other qualifying federally insured investments.

Custodial credit risk is the risk that in the event of a financial institution failure, the Town's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. As of September 30, 2023, the Town was not exposed to custodial credit risk.

NOTE 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

As of September 30, 2023, the Town had a balance of \$3,719,882 invested in Louisiana Asset Management Pool (LAMP).

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets.

The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955.

LAMP is an investment pool with the following characteristics:

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 54 days from LAMP's monthly Portfolio Holdings as of September 30, 2023.
- Foreign currency risk: Not applicable.

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

The government's investments are categorized as either (1) insured or registered for which the securities are held by the government or its agent in the government's name, (2) uninsured and unregistered for which the securities are held by the broker's or dealer's trust department or agent in the government's name, or (3) uninsured and unregistered for which securities are held by the broker or dealer, or by its trust department or agent but not in the government's name.

Investments, which consist of nonnegotiable certificates of deposits, are not subject to fair value measures.

NOTE 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Restricted Cash and Investments

Certain cash and investment deposit balances are restricted in that they comprise reserves that are required to be maintained under various bond indentures. See also Note 7. The following is a schedule of restricted cash and investment balances at September 30, 2023:

<u>Primary Government</u>	<u>Amount</u>
Debt service	\$ 272,652
Customer deposits	133,602
	<u>\$ 406,254</u>

NOTE 3 - DUE FROM OTHER GOVERNMENTS

Due from other governments as of September 30, 2023, consists of amounts due from the Parish of Iberville for sales tax of \$367,178.

NOTE 4 - AD VALOREM TAXES

The 1974 Louisiana Constitution (Article 7, Section 18) provided that land and improvements for residential purposes are to be assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, are to be assessed at 15% of fair market value; and public service properties, excluding land, are to be assessed at 25% of fair market value. Fair market value is determined by the elected assessor of the parish on all property subject to taxation except public service properties, which are valued by the Louisiana Tax Commission (La. R.S. 47:1957). The correctness of assessments by the assessor is subject to review and certification by the Louisiana Tax Commission. The assessor is required to reappraise all property subject to taxation at intervals of not more than four years.

All property taxes are recorded in governmental funds as explained in Note 1 above. Revenues in governmental funds are recognized in the accounting period in which they become available and measurable. Property taxes are considered measurable in the calendar year of the tax levy. Accordingly, the taxes assessed for the calendar year falling within the current fiscal year are recorded as revenue. Property taxes are considered available because they are substantially collected during the fiscal year and are therefore available to liquidate liabilities of the current period.

The property tax calendar is as follows:

Millage rates adopted	July 13, 2022
Levy date	July 13, 2022
Due date	December 31, 2022
Lien date	January 1, 2023
Collection dates	December 1, 2022 to February 28, 2023

NOTE 4 - AD VALOREM TAXES (CONTINUED)

For the year ended September 30, 2023, taxes of 4.22 mills were levied for general government and public purposes on property with assessed valuations totaling \$4,577,960. Total taxes levied and collected were \$19,320 and \$20,426, respectively. Collections include unpaid amounts from prior assessment years. Property tax millage rates are adopted in the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before December 31 of the current year and become delinquent thereafter.

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES

As of September 30, 2023, there were no interfund receivables or payables.

NOTE 6 - CAPITAL ASSETS

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 623,015	\$ -	\$ -	\$ 623,015
Construction in progress	389,053	33,326	(296,842)	125,537
Total capital assets not being depreciated	<u>1,012,068</u>	<u>33,326</u>	<u>(296,842)</u>	<u>748,552</u>
Capital assets being depreciated:				
Buildings and improvements	1,809,415	102,941	-	1,912,356
Equipment and vehicles	2,766,794	136,445	-	2,903,239
Infrastructure	2,093,033	330,398	-	2,423,431
Total capital assets being depreciated	<u>6,669,242</u>	<u>569,784</u>	<u>-</u>	<u>7,239,026</u>
Less accumulated depreciation for:				
Buildings and improvements	495,596	47,667	-	543,263
Equipment and vehicles	2,642,438	79,937	-	2,722,375
Infrastructures	1,448,227	59,946	-	1,508,173
Total accumulated depreciation	<u>4,586,261</u>	<u>187,550</u>	<u>-</u>	<u>4,773,811</u>
Total capital assets, being depreciated, net	<u>2,082,981</u>	<u>382,234</u>	<u>-</u>	<u>2,465,215</u>
Governmental activities capital assets, net	<u>\$ 3,095,049</u>	<u>\$ 415,560</u>	<u>\$ (296,842)</u>	<u>\$ 3,213,767</u>

Depreciation expense was charged to functions of the governmental activities as follows:

General government	\$ 62,445
Police	32,014
Fire	25,239
Roads and streets	65,281
Recreation	<u>2,571</u>
Total depreciation expense - governmental activities	<u>\$ 187,550</u>

NOTE 6 - CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 8,852	\$ -	\$ -	\$ 8,852
Construction in progress	-	35,193	-	35,193
Total capital assets not being depreciated	<u>8,852</u>	<u>35,193</u>	<u>-</u>	<u>44,045</u>
Capital assets being depreciated:				
Utility plant	10,891,399	41,967	-	10,933,366
Buildings	28,000	-	-	28,000
Equipment and vehicles	505,262	-	-	505,262
Total capital assets being depreciated	<u>11,424,661</u>	<u>41,967</u>	<u>-</u>	<u>11,466,628</u>
Less accumulated depreciation for:				
Utility plant	6,053,959	354,157	-	6,408,116
Buildings	26,517	188	-	26,705
Equipment and vehicles	463,870	9,007	-	472,877
Total accumulated depreciation	<u>6,544,346</u>	<u>363,352</u>	<u>-</u>	<u>6,907,698</u>
Total capital assets, being depreciated, net	<u>4,880,315</u>	<u>(321,385)</u>	<u>-</u>	<u>4,558,930</u>
Business-type activities capital assets, net	<u>\$ 4,889,167</u>	<u>\$ (286,192)</u>	<u>\$ -</u>	<u>\$ 4,602,975</u>

NOTE 7 - LONG-TERM LIABILITIES

The following is a summary of debt transactions of the Town for the year ended September 30, 2023:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Claims payable	\$ 60,184	\$ -	\$ -	\$ 60,184	\$ 60,184
2014 Sales Tax Revenue Bond	606,000	-	66,000	540,000	68,000
Net pension liability	<u>531,048</u>	<u>102,254</u>	<u>-</u>	<u>633,302</u>	<u>-</u>
Total governmental	<u>\$ 1,197,232</u>	<u>\$ 102,254</u>	<u>\$ 66,000</u>	<u>\$ 1,233,486</u>	<u>\$ 128,184</u>
Business-type activities:					
2000 Sewer System Revenue Bond	\$ 362,499	\$ -	\$ 13,547	\$ 348,952	\$ 14,170
2005 Sewer System Revenue Bond	398,062	-	10,937	387,125	11,398
2013 Water Revenue Refunding Bond	507,000	-	51,000	456,000	53,000
Net pension liability	<u>399,393</u>	<u>-</u>	<u>53,344</u>	<u>346,049</u>	<u>-</u>
Total business-type	<u>\$ 1,666,954</u>	<u>\$ -</u>	<u>\$ 128,828</u>	<u>\$ 1,538,126</u>	<u>\$ 78,568</u>
Total long-term debt	<u>\$ 2,864,186</u>	<u>\$ 102,254</u>	<u>\$ 194,828</u>	<u>\$ 2,771,612</u>	<u>\$ 206,752</u>

(continued)

NOTE 7 - LONG-TERM LIABILITIES (CONTINUED)

Long-term debt obligations for the primary government at September 30, 2023, are comprised of the following:

Governmental Activities

Claims payable-FEMA (see Note 10)	\$ 60,184
\$1,000,000 Sales Tax Bond secured by a pledge and dedication of sales tax revenue, due in annual installments of various amounts through November 1, 2029; interest at 2.69%.	540,000
Net pension liability	<u>633,302</u>
Total long-term liabilities from governmental activities	<u>\$ 1,233,486</u>

Enterprise Fund

Revenue Bonds:

\$900,000 Water Revenue Bonds secured by a pledge and dedication of sewer revenues, due in annual installments of various amounts through January 1, 2031; interest at 3.38%	\$ 456,000
\$543,000 Sewer Revenue Bonds secured by a pledge and dedication of sewer revenues, due in monthly installments of \$2,465 through April 23, 2040; interest at 4.50%	348,952
\$525,000 Bond Anticipation Note secured by a pledge and dedication of sewer revenues, due in monthly installments of \$2,263 through April 23, 2045; interest at 4.12%	387,125
Net pension liability	<u>346,049</u>
Total long-term liabilities from business-type activities	<u>\$ 1,538,126</u>

Bond Restrictions

2000 Sewer Revenue Bond

In accordance with the indenture governing Sewerage Utility Fund Revenue Bonds, Series 2000, cash is periodically deposited into accounts administered by a trustee bank. These bonds are a direct liability of the enterprise fund to be serviced by the earnings from the fund. Deposits are made to these trust accounts in accordance with the requirements of each.

1. The Sewer System Revenue Fund requires all revenue derived from its operations to be deposited in a bank that is a member of the Federal Deposit Insurance Corporation as long as any of the bonds are outstanding. Required transfers are made on a monthly basis to designated trust accounts.

NOTE 7 - LONG-TERM LIABILITIES (CONTINUED)

Bond Restrictions (continued)

2000 Sewer Revenue Bond (continued)

2. The Sewer Revenue Bond and Interest Sinking Funds require monthly transfers from the Sewer System Revenue Fund to provide payment of the next maturing interest and principal of the revenue bonds.
3. The Sewer Revenue Bond Reserve Fund requires monthly transfers of \$237. This fund is restricted to payment of principal and interest in case of default. The current balance of the fund is \$64,742.
4. The Sewer Contingency Fund requires monthly transfers of \$237. The fund is restricted to payments for unusual or extraordinary maintenance, repairs, replacement, and extensions and improvements that will either enhance its revenue producing capacity or provide improved service. It will also be used to pay principal and interest if there are not sufficient funds in the Sewer Revenue Bond Fund or Sewer Revenue Bond Reserve Fund. The current balance of the fund is \$48,176.

2013 Water Revenue Refunding Bond

In accordance with the indenture governing Water Revenue Refunding Bonds, Series 2013, cash is periodically deposited into accounts administered by a trustee bank. These bonds are a direct liability of the enterprise fund to be serviced by the earnings from the fund. Deposits are made to these trust accounts in accordance with the requirements of each.

1. The Water Revenue Fund requires all revenue derived from its operations to be deposited in a bank that is a member of the Federal Deposit Insurance Corporation as long as any of the bonds are outstanding. Required transfers are made on a monthly basis to designated trust accounts.
2. The Water Revenue Bond and Interest Sinking Funds require monthly transfers from the Water Revenue Fund to provide payment of the next maturing interest and principal of the revenue bonds. The current balance of the fund is \$44,639.
3. The Water Reserve Fund required a deposit equal to the highest combined principal and interest falling due in any year. This fund is restricted to payment of principal and interest in case of default. The current balance of the fund is \$34,699.
4. The Water Depreciation and Contingency Fund require monthly transfers of \$315. The fund is restricted to payments for unusual or extraordinary maintenance, repairs, replacement, and extensions and improvements that will either enhance its revenue producing capacity or provide improved service. It will also be used to pay principal and interest if there are not sufficient funds in the Water Revenue Bond Fund or Water Revenue Bond Reserve Fund. The current balance of the fund is \$35,904.

NOTE 7 - LONG-TERM LIABILITIES (CONTINUED)

2014 Sales Tax Revenue Refunding Bond

In accordance with the indenture governing Sales tax revenue refunding bond, Series 2014, cash is periodically deposited into accounts administered by a trustee bank. These bonds are a direct liability of the general fund to be serviced by the earnings from the fund. Deposits are made to these trust accounts in accordance with the requirements of each.

1. The Sales Tax Revenue Fund requires all revenue derived from its operations to be deposited in a bank that is a member of the Federal Deposit Insurance Corporation as long as any of the bonds are outstanding. Required transfers are made on a monthly basis to designated trust accounts.
2. The Sales Tax Revenue Bond and Interest Sinking Funds require monthly transfers from the Sales Tax Revenue Fund to provide payment of the next maturing interest and principal of the revenue bonds. The current balance of the fund is \$44,492.

The annual requirements to amortize outstanding debt principal and interest as of September 30, 2023, are as follows:

Governmental Activities		
2014 Sales Tax Revenue Bond		
	<u>Principal</u>	<u>Interest</u>
2024	\$ 68,000	\$ 13,611
2025	71,000	11,742
2026	74,000	9,792
2027	77,000	7,761
2028	80,000	5,649
2029-2030	170,000	4,627
	<u>\$ 540,000</u>	<u>\$ 53,181</u>

Business-type Activities		
Revenue Bonds		
	<u>Principal</u>	<u>Interest</u>
2024	\$ 78,568	\$ 45,688
2025	81,698	42,732
2026	83,878	39,676
2027	87,110	36,517
2028	90,397	33,235
2029-2033	347,379	118,650
2034-2038	215,270	68,408
2039-2043	167,337	21,107
2044-2045	40,440	1,376
	<u>\$ 1,192,077</u>	<u>\$ 407,389</u>

NOTE 8 - PENSION AND RETIREMENT PLANS

The Town of Maringouin (the Town) is a participating employer in two cost-sharing defined benefit pension plans. These plans are administered by two public employee retirement systems, the Municipal Employees' Retirement System of Louisiana (MERS) and the Municipal Police Employees' Retirement System (MPERS). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of these plans to the State Legislature. Each system is administered by a separate board of trustees.

Each of the Systems issues an annual publicly available financial report that includes financial statements and required supplementary information for the system. These reports may be obtained by writing, calling or downloading the reports as follows:

MERS: 7937 Office Park Boulevard | Baton Rouge, Louisiana 70809 | www.mersla.com
MPERS: 7722 Office Park Boulevard | Baton Rouge, Louisiana 70809 | www.lampers.org

The Town implemented Government Accounting Standards Board (GASB) Statement No. 68 – *Accounting and Financial Reporting for Pensions* and Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date* – an Amendment of GASB Statement No. 68. These standards require the Town to record its proportional share of each of the pension plans net pension liability and report the following disclosures:

Plan Descriptions:

Municipal Employees' Retirement System of Louisiana (MERS)

The Municipal Employees' Retirement System of Louisiana (MERS) is the administrator of a cost sharing multiple-employer defined benefit pension plan. The System was originally established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana. The System provides retirement benefits to employees of all incorporated villages, towns and cities within the State which do not have their own retirement system, and which elect to become members of the System. The Town is a participant in Plan A only.

Municipal Police Employees' Retirement System (MPERS)

The Municipal Police Employees' Retirement System (MPERS) is the administrator of a cost-sharing multiple-employer plan. Membership in the System is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing he or she does not have to pay social security and providing he or she meets the statutory criteria. The System provides retirement benefits for municipal police officers.

NOTE 8 - PENSION AND RETIREMENT PLANS (CONTINUED)

Funding Policy

The Town’s net pension liabilities are typically liquidated through the General Fund and Public Utility Fund. Contributions to the plans are required and determined by State statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended June 30, 2023, for the Town and covered employees were as follows:

	Town	Employees
Municipal Employees’ Retirement System (Plan A)	29.50%	9.50%
Municipal Police Employees' Retirement System		
All employees hired prior to 01/01/2013 and all		
Hazardous Duty employees hired after 01/01/2013	31.25%	10.00%
Non-Hazardous Duty (hired after 01/01/2013)	31.25%	8.00%
Employees receiving compensation below poverty guidelines of US Department of Health	33.75%	7.50%

The contributions made to the Systems for the past three fiscal years, which equaled the required contributions for each of these years, were as follows:

Plan	2023	2022	2021
MERS (Plan A)	\$ 118,887	\$ 117,204	\$ 111,292
MPERS	29,327	22,423	-
Total	\$ 148,214	\$ 139,627	\$ 111,292

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The following schedule lists the Town’s proportionate share of the net pension liability allocated by each of the pension plans for based on the June 30, 2023 measurement date. The Town uses this measurement date to record its net pension liability and associated amounts as of September 30, 2023 in accordance with GASB Statement No. 68. The schedule also includes the proportionate share allocation rate used at June 30, 2023 along with the change compared to the June 30, 2022 rate. The Town’s proportion of the net pension liability was based on a projection of the Town’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

NOTE 8 - PENSION AND RETIREMENT PLANS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

	Net Pension Liability at June 30, 2023	Current Measurement Rate	Previous Measurement Rate	Increase (Decrease)
MERS	\$ 724,281	0.1982%	0.2013%	-0.0031%
MPERS	<u>255,070</u>	0.0241%	0.0092%	0.0149%
Total	<u>\$ 979,351</u>			

The following schedule list each pension plan's recognized net pension expense (benefit) of the Town for the year ended September 30, 2023:

	Total
Municipal Employees' Retirement Fund	\$ (34,174)
Municipal Police Employees' Retirement Fund	<u>37,189</u>
Total	<u>\$ 3,015</u>

The Town's proportionate share of non-employer contributions was \$14,908 for MERS; the proportionate share of non-employer contributions for MPERS for the year ended September 30, 2023 was \$5,568. Non-employer contributions are reported as pension revenue on the government-wide and Utility Fund financial statements. The Town has recorded accrued liabilities for MERS and MPERS of \$15,732 and \$3,821, respectively, as of September 30, 2023.

At September 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 18,452	\$ 6,729
Changes of assumptions	4,256	-
Net difference between projected and actual earnings on pension plan investments	110,765	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	130,017	7,101
Differences between allocated and actual contributions	15,299	111
Employer contributions subsequent to the measurement date	<u>39,210</u>	<u>-</u>
	<u>\$ 317,999</u>	<u>\$ 13,941</u>

NOTE 8 - PENSION AND RETIREMENT PLANS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Summary totals of deferred outflows of resources and deferred inflows of resources by pension plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Municipal Employees' System (Plan A)	\$ 119,014	\$ 13,834
Municipal Police Employees' Retirement Fund	198,985	107
	\$ 317,999	\$ 13,941

The Town reported \$31,373 as deferred outflow of resources related to pension contributions into the MERS plan made subsequent to the measurement date of June 30, 2023, which will be recognized as a reduction in net pension liability in the year ended September 30, 2023. There were \$7,837 of contributions into the MPERS made subsequent to the measurement date of June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year	MERS	MPERS	Total
2024	\$ 17,865	\$ 69,796	\$ 87,661
2025	944	59,758	60,702
2026	60,289	62,863	123,152
2027	(5,291)	(1,376)	(6,667)
	\$ 73,807	\$ 191,041	\$ 264,848

Actuarial Assumptions

Salary Increases

A summary of the actuarial methods and assumptions used in determining the total pension liability for each pension plan as of June 30, 2023 are as follows:

	Valuation Date	Expected Remaining Service Lives	Investment Rate of Return, net
MERS	June 30, 2023	3 years	6.850%
MPERS	June 30, 2023	4 years	6.750%

The MERS actuarial assumptions used in the June 30, 2023 valuation was based on the results of an experience study, for the period July 1, 2013 through June 30, 2018. The MPERS actuarial assumptions used in the June 30, 2023 valuation was based on the results of an experience study, for the period July 1, 2014 through June 30, 2019.

NOTE 8 - PENSION AND RETIREMENT PLANS (CONTINUED)

Mortality:

MERS

PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.

PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.

PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018.

MPERS

For annuities and beneficiaries, the Pub-2010 public retirement plan mortality table for safety below-median healthy retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP 2019 scale was used.

For disabled lives, the Pub-2010 public retirement plans mortality table for safety disable retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used.

For employees, the Pub-2010 public retirement plans mortality table for safety below-median employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.

Actuarial Assumptions

Mortality:

MERS

<u>Years of Service</u>	<u>Salary Growth Rate</u>
1- 4	6.40%
>4	4.50%

MPERS

<u>Years of Service</u>	<u>Salary Growth Rate</u>
1-2	12.30%
Above 2	4.70%

NOTE 8 - PENSION AND RETIREMENT PLANS (CONTINUED)

Cost of Living Adjustments:

MERS

The System is authorized under state law to grant a cost of living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows the System to grant an additional cost of living increase to all retirees and beneficiaries who are age sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.

MPERS

The Board of Trustees is authorized to provide annual cost-of-living adjustments computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility.

No regular retiree, survivor or beneficiary shall be eligible to receive a cost-of-living adjustment until benefits have been received at least one full fiscal year and the payment of such COLA, when authorized, shall not be effective until the lapse of at least one-half of the fiscal year. Members who elect early retirement are not eligible for a cost of living adjustment until they reach regular retirement age.

The following methods used by each of the retirement systems in determining the long-term rate of return on pension plan investments:

MERS

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rates of return is 6.85% for the year ended June 30, 2023.

NOTE 8 - PENSION AND RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions (Continued)

MPERS

The forecasted long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting forecasted long-term rate of return is 7.90% for the year ended June 30, 2023.

The following table provides a summary of the best estimates of arithmetic/geometric real rates of return for each major asset class included in each of the Retirement Systems target asset allocations as of June 30, 2023:

Asset Class	Target Allocation		Long - Term Expected Real Rate of Return	
	MERS	MPERS	MERS	MPERS
Equity	56%	52%	2.44%	3.29%
Fixed Income	29%	34%	1.26%	1.12%
Alternatives	15%	14%	0.65%	0.95%
Total	100%	100%	4.35%	5.36%
Inflation			2.50%	2.54%
Expected Arithmetic Nominal Return			6.85%	7.90%

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for MERS and MPERS was 6.850% and 6.750%, respectively for the year ended June 30, 2023.

NOTE 8 - PENSION AND RETIREMENT PLANS (CONTINUED)

Sensitivity of the Employer’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the Town’s proportionate share of the net pension liability (NPL) using the discount rate of each Retirement System as well as what the Town’s proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the retirement systems:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
MERS			
Discount Rates	5.850%	6.850%	7.850%
Shares of Net Pension Liability	\$ 1,004,123	\$ 724,281	\$ 487,898
MPERS			
Discount Rates	5.750%	6.750%	7.750%
Shares of Net Pension Liability	\$ 358,904	\$ 255,070	\$ 168,331

NOTE 9 - COMPENSATION TO GOVERNING BODY

The following is a schedule of payments to the council members for the fiscal year ended September 30, 2023:

<u>Council Members</u>	<u>Amount</u>
Veronica “Bonnie” Hill	\$ 9,200
Jerome “Gillis” Martin	9,200
Justin Bessix	6,900
John E. Carriere	6,900
Edna "Lil Bit" Mitchel	6,900
Clarence Wiley	2,300
Cherise D. Gougisha	2,300
Sam Watson	2,300
Total	<u>\$ 46,000</u>

NOTE 10 - COMMITMENTS AND CONTINGENCIES

Risk Management

The Town is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the Town carries commercial insurance. There were no major changes in insurance coverage from the prior year and settlements have not exceeded coverage in the past five years.

NOTE 10 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Grants

As a result of a prior federal audit conducted by the Office of the Inspector General, the Federal Emergency Management Agency has determined that \$60,184 in costs claimed by the Town for disaster clean up were either not allowable or were not supported. This liability has been recorded as long-term debt and is potentially payable from current general government resources. The Town has received other federal and state grants for specific purposes that are subject to review by the grantor agencies. Reviews of these programs could lead to requests for reimbursement by grantor agencies for costs, if any, that might be disallowed under the terms of the grant. Management believes that the amount of such disallowed costs, if any, would not be material.

NOTE 11 - SUSEQUENT EVENT

In January 2024, the Louisiana State Bond Commission approved the Town to issue \$800,000 of taxable excess revenue bonds through the Louisiana Department of Environmental Quality (LDEQ) to mature in a term not exceeding ten (10) years from the date of approval. The bonds are noninterest bearing and one-hundred percent (100%) forgivable by LDEQ. The purpose of the bond issuance is for the purchase of constructing and acquiring improvements, extensions and replacements to the Town's sewerage system including related equipment, fixtures and accessories and payment of the costs of issuance.

As of March 15, 2024, the date of the auditors' report, the bond had not been formally issued to the Town.

REQUIRED SUPPLEMENTARY INFORMATION

**TOWN OF MARINGOUIN, LOUISIANA
GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes:				
Sales and use	\$ 1,425,000	\$ 1,725,000	\$ 2,039,842	\$ 314,842
Insurance premium	30,000	40,000	38,383	(1,617)
Ad valorem	18,000	18,000	20,426	2,426
Other	2,000	2,000	1,352	(648)
Charges for services:				
Licenses and permits	77,000	63,500	65,316	1,816
Rental income	15,000	15,000	19,995	4,995
Other	-	-	2,850	2,850
Fines	10,000	7,500	8,276	776
Intergovernmental	-	-	29,070	29,070
Investment earnings	7,500	50,000	131,795	81,795
Miscellaneous	<u>5,000</u>	<u>15,000</u>	<u>6,299</u>	<u>(8,701)</u>
Total revenues	<u>1,589,500</u>	<u>1,936,000</u>	<u>2,363,604</u>	<u>427,604</u>
EXPENDITURES				
Current function:				
General government	519,100	580,800	481,824	98,976
Public safety - police	363,700	387,700	300,841	86,859
Roads and streets	491,600	619,600	517,922	101,678
Debt service	81,500	81,500	82,025	(525)
Capital outlay	<u>51,000</u>	<u>190,000</u>	<u>254,966</u>	<u>(64,966)</u>
Total expenditures	<u>1,506,900</u>	<u>1,859,600</u>	<u>1,637,578</u>	<u>222,022</u>
Excess of revenues over expenditures	82,600	76,400	726,026	649,626
OTHER FINANCING USES				
Proceeds from insurance	-	-	41,893	(41,893)
Transfer out	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>(58,107)</u>	<u>(41,893)</u>
Net change in fund balance	(17,400)	(23,600)	667,919	<u>\$ 607,733</u>
FUND BALANCE				
Beginning of year	<u>3,224,203</u>	<u>3,767,235</u>	<u>3,667,235</u>	
End of year	<u>\$ 3,206,803</u>	<u>\$ 3,743,635</u>	<u>\$ 4,335,154</u>	

**TOWN OF MARINGOUIN, LOUISIANA
FIRE PROTECTION FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

For the year ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Sales and use tax	\$ 175,000	\$ 185,000	\$ 263,108	\$ 78,108
Intergovernmental	-	-	12,570	12,570
Investment earnings	-	-	23,424	23,424
Miscellaneous	<u>500</u>	<u>500</u>	<u>250</u>	<u>(250)</u>
Total revenues	<u>175,500</u>	<u>185,500</u>	<u>299,352</u>	<u>113,852</u>
EXPENDITURES				
Current function:				
Public safety - fire	121,000	162,000	146,432	15,568
Capital outlay	<u>52,500</u>	<u>52,500</u>	<u>51,302</u>	<u>1,198</u>
Total expenditures	<u>173,500</u>	<u>214,500</u>	<u>197,734</u>	<u>16,766</u>
Net change in fund balance	2,000	(29,000)	101,618	<u>\$ 130,618</u>
FUND BALANCE				
Beginning of year	<u>561,441</u>	<u>681,284</u>	<u>681,194</u>	
End of year	<u>\$ 563,441</u>	<u>\$ 652,284</u>	<u>\$ 782,812</u>	

TOWN OF MARINGOUIN, LOUISIANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the year ended September 30, 2023

NOTE 1 - BUDGETS

Budget Policy and Budgetary Accounting

A proposed budget is prepared and submitted by the Mayor to the Town Council prior to the beginning of each fiscal year. A budget summary and notice of a public hearing is published with the public hearing being conducted prior to the commencement of the budget year.

The annual operating budget, prepared on the modified accrual basis for governmental funds, covers the General Fund and special revenue fund; enterprise funds are prepared on the accrual basis. At the end of the fiscal year unexpended appropriations automatically lapse. Budget amendments are approved by the Town Council and are included in the financial statements.

In connection with budget preparation, a portion of the unassigned fund balance of an individual fund may be committed for expenditures of the subsequent year. Such designation represents the extent to which the fund balance is used to balance the subsequent year's operating budget of that fund as reflected in the legally adopted budget.

Basis of Accounting

All of the Town's budgets are prepared on the modified accrual basis of accounting as described in Note 1 to the Town's financial statements for the year ended September 30, 2023.

TOWN OF MARINGOUIN, LOUISIANA
SCHEDULE OF PROPORTIONATE SHARE
OF NET PENSION LIABILITY
LAST TEN FISCAL YEARS (1)

As of the fiscal year ended (2):

	2023	
	MERS (Plan A)	MPERS
Employer's Proportion of the Net Pension Liability (Asset)	0.1982%	0.0241%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 724,281	\$ 255,070
Employer's Covered-Employee Payroll	\$ 398,296	\$ 82,053
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	181.84%	310.86%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.46%	71.30%

As of the fiscal year ended (2):

	2022	
	MERS (Plan A)	MPERS
Employer's Proportion of the Net Pension Liability (Asset)	0.2013%	0.0092%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 835,930	\$ 94,511
Employer's Covered-Employee Payroll	\$ 397,302	\$ 41,806
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	210.40%	226.07%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.87%	70.80%

As of the fiscal year ended (2):

	2021	
	MERS (Plan A)	MPERS
Employer's Proportion of the Net Pension Liability (Asset)	0.1979%	0.0000%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 550,460	\$ -
Employer's Covered-Employee Payroll	\$ 377,262	\$ -
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	145.91%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.82%	70.94%

As of the fiscal year ended (2):

	2020	
	MERS (Plan A)	MPERS
Employer's Proportion of the Net Pension Liability (Asset)	0.2064%	0.0000%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 892,183	\$ -
Employer's Covered-Employee Payroll	\$ 411,389	\$ -
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	216.87%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	64.52%	0.00%

As of the fiscal year ended (2):

	2019	
	MERS (Plan A)	MPERS
Employer's Proportion of the Net Pension Liability (Asset)	0.1925%	0.0090%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 804,409	\$ 81,962
Employer's Covered-Employee Payroll	\$ 355,938	\$ 28,361
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	226.00%	289.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	64.68%	71.01%

(Continued)

TOWN OF MARINGOUIN, LOUISIANA
SCHEDULE OF PROPORTIONATE SHARE
OF NET PENSION LIABILITY
LAST TEN FISCAL YEARS (1)

As of the fiscal year ended (2):	2018	
	MERS (Plan A)	MPERS
Employer's Proportion of the Net Pension Liability (Asset)	0.1985%	0.1068%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 822,016	\$ 90,264
Employer's Covered-Employee Payroll	\$ 359,047	\$ 31,510
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	228.94%	286.46%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.94%	71.89%
As of the fiscal year ended (2):	2017	
	MERS (Plan A)	MPERS
Employer's Proportion of the Net Pension Liability (Asset)	0.2070%	0.0037%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 867,901	\$ 32,582
Employer's Covered-Employee Payroll	\$ 347,705	\$ 11,512
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	249.61%	283.02%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.49%	70.01%
As of the fiscal year ended (2):	2016	
	MERS (Plan A)	MPERS
Employer's Proportion of the Net Pension Liability (Asset)	0.2052%	0.0057%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 841,006	\$ 53,706
Employer's Covered-Employee Payroll	\$ 371,286	\$ 14,913
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	226.51%	360.13%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.11%	66.04%
As of the fiscal year ended (2):	2015	
	MERS (Plan A)	MPERS
Employer's Proportion of the Net Pension Liability (Asset)	0.2131%	0.0056%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 761,241	\$ 43,698
Employer's Covered-Employee Payroll	\$ 367,534	\$ 14,933
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	207.12%	292.63%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.18%	70.73%

(1) Schedule is intended to show information for 10 years. Additional years will be displayed as available.

(2) The amounts presented have a measurement date of MERS's prior June 30th fiscal year end.

The two Retirement Systems reported in this schedule are as follows:
MERS (Plan A) = Municipal Employees' Retirement System
MPERS = Municipal Police Employees' Retirement System

TOWN OF MARINGOUIN, LOUISIANA
SCHEDULE OF PENSION CONTRIBUTIONS

LAST TEN FISCAL YEARS (1)

	2023	
	MERS	
	(Plan A)	MPERS
Contractually Required Contribution	\$ 117,787	\$ 25,604
Contributions in Relation to Contractually Required Contribution	118,887	29,327
Contribution Deficiency (Excess)	<u>\$ (1,100)</u>	<u>\$ (3,723)</u>
Employer's Covered Employee Payroll	\$ 403,009	\$ 91,870
Contributions as a % of Covered Employee Payroll	29.23%	27.87%
	2022	
	MERS	
	(Plan A)	MPERS
Contractually Required Contribution	\$ 119,737	\$ 8,504
Contributions in Relation to Contractually Required Contribution	117,204	12,560
Contribution Deficiency (Excess)	<u>\$ 2,533</u>	<u>\$ (4,056)</u>
Employer's Covered Employee Payroll	\$ 397,302	\$ 41,806
Contributions as a % of Covered Employee Payroll	30.14%	20.34%
	2021	
	MERS	
	(Plan A)	MPERS
Contractually Required Contribution	\$ 117,020	\$ -
Contributions in Relation to Contractually Required Contribution	111,292	-
Contribution Deficiency (Excess)	<u>\$ 5,728</u>	<u>\$ -</u>
Employer's Covered Employee Payroll	\$ 396,678	\$ -
Contributions as a % of Covered Employee Payroll	29.50%	0.00%
	2020	
	MERS	
	(Plan A)	MPERS
Contractually Required Contribution	\$ 110,584	\$ -
Contributions in Relation to Contractually Required Contribution	115,990	-
Contribution Deficiency (Excess)	<u>\$ (5,406)</u>	<u>\$ -</u>
Employer's Covered Employee Payroll	\$ 398,501	\$ -
Contributions as a % of Covered Employee Payroll	27.75%	32.25%
	2019	
	MERS	
	(Plan A)	MPERS
Contractually Required Contribution	\$ 94,223	\$ 9,099
Contributions in Relation to Contractually Required Contribution	94,347	6,628
Contribution Deficiency (Excess)	<u>\$ (124)</u>	<u>\$ 2,471</u>
Employer's Covered Employee Payroll	\$ 362,396	\$ 29,590
Contributions as a % of Covered Employee Payroll	26.00%	30.75%

(Continued)

TOWN OF MARINGOUIN, LOUISIANA
SCHEDULE OF PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS (1)

	2018	
	MERS (Plan A)	MPERS
Contractually Required Contribution	\$ 90,102	\$ 9,699
Contributions in Relation to Contractually Required Contribution	89,705	10,457
Contribution Deficiency (Excess)	<u>\$ 397</u>	<u>\$ (758)</u>
Employer's Covered Employee Payroll	\$ 346,546	\$ 31,541
Contributions as a % of Covered Employee Payroll	26.00%	30.75%
	2017	
	MERS (Plan A)	MPERS
Contractually Required Contribution	\$ 86,057	\$ 3,540
Contributions in Relation to Contractually Required Contribution	85,742	4,327
Contribution Deficiency (Excess)	<u>\$ 315</u>	<u>\$ (787)</u>
Employer's Covered Employee Payroll	\$ 347,705	\$ 11,512
Contributions as a % of Covered Employee Payroll	24.75%	30.75%
	2016	
	MERS (Plan A)	MPERS
Contractually Required Contribution	\$ 73,329	\$ 4,735
Contributions in Relation to Contractually Required Contribution	72,812	4,810
Contribution Deficiency (Excess)	<u>\$ 517</u>	<u>\$ (75)</u>
Employer's Covered Employee Payroll	\$ 371,286	\$ 14,913
Contributions as a % of Covered Employee Payroll	19.75%	31.75%
	2015	
	MERS (Plan A)	MPERS
Contractually Required Contribution	\$ 72,588	\$ 4,704
Contributions in Relation to Contractually Required Contribution	72,081	4,700
Contribution Deficiency (Excess)	<u>\$ 507</u>	<u>\$ 4</u>
Employer's Covered Employee Payroll	\$ 367,534	\$ 14,933
Contributions as a % of Covered Employee Payroll	19.75%	31.50%

(1) Schedule is intended to show information for 10 years. Additional years will be displayed as available.

The two Retirement Systems reported in this schedule are as follows:
MERS (Plan A): Municipal Employees' Retirement System
MPERS: Municipal Police Employees' Retirement System

TOWN OF MARINGOUIN, LOUISIANA
NOTES TO THE SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION
LIABILITY AND SCHEDULE OF PENSION CONTRIBUTIONS

For the year ended September 30, 2023

NOTE 1 - NET PENSION LIABILITY

Municipal Employees' Retirement System (Plan A): - Changes of Assumptions

The changes in assumptions balance was a result of changes in the discount rate. The following are the discount rates used in each measurement of net pension liability (asset):

Measurement Date	Discount Rate		Merit Raise		Inflation Rate	
	Rate	Change	Rate	Change	Rate	Change
6/30/2023	6.850%	0.000%	2.000%	0.100%	2.500%	-0.100%
6/30/2022	6.850%	0.000%	1.900%	-0.500%	2.600%	0.100%
6/30/2021	6.850%	-0.100%	2.400%	0.000%	2.500%	0.000%
6/30/2020	6.950%	-0.050%	2.400%	0.000%	2.500%	0.000%
6/30/2019	7.000%	-0.275%	2.400%	0.000%	2.500%	-0.100%
6/30/2018	7.275%	-0.125%	2.400%	0.175%	2.600%	-0.175%
6/30/2017	7.400%	-0.100%	2.225%	0.100%	2.775%	0.275%
6/30/2016	7.500%	0.000%	2.125%	0.000%	2.500%	-0.375%
6/30/2015	7.500%		2.125%		2.875%	

Measurement Date	Investment Rate of Return		Salary Increases	
	Rate	Change	Rate	Change
6/30/2023	6.850%	-0.100%	4.500%	0.000%
6/30/2022	6.950%	0.100%	4.500%	-0.400%
6/30/2021	6.850%	-0.100%	4.900%	0.000%
6/30/2020	6.950%	-0.050%	4.900%	0.000%
6/30/2019	7.000%	-0.275%	4.900%	-0.100%
6/30/2018	7.275%	-0.125%	5.000%	0.000%
6/30/2017	7.400%	-0.100%	5.000%	0.375%
6/30/2016	7.500%	0.000%	4.625%	-0.375%
6/30/2015	7.500%		5.000%	

NOTE 1 - NET PENSION LIABILITY (CONTINUED)

Municipal Police Employees' Retirement System: - Changes of Assumptions

The changes in assumptions balance was a result of changes in the discount rate. The following are the discount rates used in each measurement of net pension liability (asset):

<u>Measurement Date</u>	<u>Discount Rate</u>		<u>Merit Raise</u>		<u>Inflation Rate</u>	
	<u>Rate</u>	<u>Change</u>	<u>Rate</u>	<u>Change</u>	<u>Rate</u>	<u>Change</u>
6/30/2023	6.750%	0.000%	2.200%	-0.280%	2.500%	0.000%
6/30/2022	6.750%	0.000%	2.480%	0.280%	2.500%	0.000%
6/30/2021	6.750%	-0.200%	2.200%	0.000%	2.500%	-0.050%
6/30/2020	6.950%	-0.175%	2.200%	-0.050%	2.550%	-0.200%
6/30/2019	7.125%	-0.075%	2.250%	0.100%	2.750%	0.000%
6/30/2018	7.200%	-0.125%	2.150%	0.100%	2.750%	0.000%
6/30/2017	7.325%	-0.175%	2.050%	0.175%	2.750%	0.000%
6/30/2016	7.500%	0.000%	1.875%	0.000%	2.750%	-0.250%
6/30/2015	7.500%		1.875%		3.000%	

<u>Measurement Date</u>	<u>Investment Rate of Return</u>		<u>Salary Increases</u>	
	<u>Rate</u>	<u>Change</u>	<u>Rate</u>	<u>Change</u>
6/30/2023	7.900%	1.150%	4.700%	-0.280%
6/30/2022	6.750%	0.000%	4.980%	0.280%
6/30/2021	6.750%	-0.200%	4.700%	-0.050%
6/30/2020	6.950%	-0.175%	4.750%	-0.250%
6/30/2019	7.125%	-0.075%	5.000%	0.100%
6/30/2018	7.200%	-0.125%	4.900%	0.100%
6/30/2017	7.325%	-0.175%	4.800%	0.175%
6/30/2016	7.500%	0.000%	4.625%	-0.250%
6/30/2015	7.500%		4.875%	

NOTE 1 - NET PENSION LIABILITY (CONTINUED)

Changes of Benefit Terms

Municipal Employees' Retirement System (Plan A):

The following is the total change in benefits for MERS:

Measurement Date	Changes of Benefit Terms	
	Years	Change
6/30/2023	3	-
6/30/2022	3	-
6/30/2021	3	-
6/30/2020	3	-
6/30/2019	3	-
6/30/2018	3	-
6/30/2017	3	-
6/30/2016	3	-
6/30/2015	3	-
6/30/2014	3	-

Municipal Police Employees' Retirement System:

The following is the total change in benefits for MPERS:

Measurement Date	Changes of Benefit Terms	
	Years	Change
6/30/2023	4	-
6/30/2022	4	-
6/30/2021	4	-
6/30/2020	4	-
6/30/2019	4	-
6/30/2018	4	-
6/30/2017	4	-
6/30/2016	4	-
6/30/2015	4	-
6/30/2014	4	1

TOWN OF MARINGOUIN, LOUISIANA**WATER AND SEWER SYSTEM SCHEDULE**

September 30, 2023
(Without Audit)

Records maintained by the Town of Maringouin indicated the number of residential and commercial users for both water and sewer systems at September 30, 2023 were as follows:

	<u>Water</u>	<u>Sewer</u>
Residential	1,073	436
Commercial	132	34
Governmental	14	-
Total	<u>1,219</u>	<u>470</u>

At September 30, 2023, the Town was charging the following rates for usage of their water and sewer systems:

Schedule of Water Rates

Residential - inside municipality:
\$17.34 – (minimum)
Plus usage = \$0.255 per 100 gallons

Residential - outside municipality:
\$19.65 – (minimum)
Plus usage = \$0.272 per 100 gallons

Commercial:
\$28.88 – (minimum)
Plus usage = \$0.243 per 100 gallons

Multi-unit structures with master meters:

	<u>Ridgewood</u>	<u>Maringouin Manor</u>
Minimum per unit:	\$56.46 (4 units)	\$215.61 (5 units)
Per 100 gallons:	\$0.266	\$0.249

Schedule of Sewer Rates

Residential:
\$25.99 base rate
Plus usage = \$0.394 per 100 gallons

Commercial:
\$34.66 base rate
Plus usage = \$0.389 per 100 gallons

TOWN OF MARINGOUIN, LOUISIANA

SCHEDULE OF INSURANCE IN FORCE

September 30, 2023
(Without Audit)

Issuer	Kind of Insurance	Insurance	Expiration Date
LA Municipal Risk Management Agency	Automobile Liability	\$500,000 CSL Bodily Injury and Property Damage	12/31/2023
	Commercial General Liability	\$500,0000 CSL Bodily Injury and Property Damage	12/31/2023
	Errors and Omissions	\$500,0000 CSL Errors and Omissions	12/31/2023
	Law Enforcement Officer	\$500,0000 CSL Personal Injury and Property Damage	12/31/2023
Rod Prejean	Automobile Liability	\$284,115 CSL Automobile Damage	3/7/2024
Smith-LBA Insurance, Inc.	Commercial General Liability	\$2,626,000 CSL Property Damage	10/31/2024
	Commercial General Liability	\$105,000 CSL Business Personal Property Damage	10/31/2024
	Commercial General Liability	\$900,000 CSL Equipment Damage	10/31/2024
CNA Surety	Surety Bond	Coverage up to \$107,500	5/5/2024

TOWN OF MARINGOUIN, LOUISIANA

SCHEDULE MAYOR AND TOWN COUNCIL

September 30, 2023
(Without Audit)

The Town's Mayor and Town Council at September 30, 2023 are as follows:

Maurice Harris
Post Office Box 10
Maringouin, LA 70757
(225) 637-2918

Town Council:

Justin Bessix
Post Office Box 10
Maringouin, LA 70757
(225) 637-2918

John E. Carriere
Post Office Box 10
Maringouin, LA 70757
(225) 637-2918

Jerome "Gillis" Martin
Post Office Box 10
Maringouin, LA 70757
(225) 637-2918

Veronica "Bonnie" Hill
Post Office Box 10
Maringouin, LA 70757
(225) 637-2918

Edna "Lil Bit" Mitchel
Post Office Box 10
Maringouin, LA 70757
(225) 637-2918

TOWN OF MARINGOUIN, LOUISIANA

**SCHEDULE OF COMPENSATION, BENEFITS AND
OTHER PAYMENTS TO AGENCY HEAD**

For the fiscal year ended September 30, 2023

Agency Head: Maurice Harris, Mayor

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 17,000
Registration fees	150
Reimbursements	110
	<u>\$ 17,260</u>

TOWN OF MARINGOUIN, LOUISIANA
ACT 87 JUSTICE SYSTEM FUNDING SCHEDULE
COLLECTING/DISBURSING ENTITY

For the year ended September 30, 2023

<u>Primary Government</u>	<u>First Six Month Period Ending, March 31, 2023</u>	<u>Second Six Month Period Ending, September 30, 2023</u>
BEGINNING BALANCE OF AMOUNTS COLLECTED	\$ 4	\$ 12
COLLECTIONS:		
Civil Fees	<u>2,889</u>	<u>5,387</u>
DISBURSEMENTS TO GOVERNMENTS AND NON-PROFITS:		
Louisiana Commission on Law Enforcement, Traffic fines	30	26
Louisiana Trauma Head and Spinal Cord Injury Trust Fund, Traffic fines	20	35
Treasurer, State of Louisiana - CMIS, Traffic fines	11	13
Louisiana Supreme Court	<u>6</u>	<u>7</u>
TOTAL DISBURSEMENTS	<u>67</u>	<u>81</u>
AMOUNTS "SELF-DISBURSED" TO COLLECTING AGENCY	<u>2,814</u>	<u>5,245</u>
TOTAL DISBURSEMENTS/RETAINAGE	<u>2,881</u>	<u>5,326</u>
TOTAL ENDING BALANCE OF AMOUNTS COLLECTED AND NOT DISBURSED	<u>\$ 12</u>	<u>\$ 73</u>



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

To the Honorable Mayor and
Town Council Members
Town of Maringouin, 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 Maringouin, Louisiana as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Maringouin, Louisiana's basic financial statements, and have issued our report thereon dated March 15, 2024.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2023-001 to be a material weakness.

Report on Compliance and Other Matters

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

Town of Maringouin, Louisiana's Response to Findings

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

Purpose of this Report

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



Gonzales, Louisiana
March 15, 2024

TOWN OF MARINGOUIN, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2023

A. SUMMARY OF AUDITORS' RESULTS

1. The independent auditors' report expresses an unmodified opinion on whether the financial statements of the Town of Maringouin were prepared in accordance with GAAP.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. One material weakness is reported.
3. No instances of noncompliance material to the financial statements of Town of Maringouin, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

Material Weakness

2023-001 Gas, Sewer and Water Utility Billing

Criteria: Town Ordinance defines the rates and determination of monthly service charges for gas, sewer and water billing. The base and usage rates are to increase on January 1 each year by the previous year's Consumer Price Index (CPI).

Condition: The Town did not increase the base rate charged to customers by the CPI for gas, water or sewer services in January 2023.

Effect: The Town appeared to have incorrectly billed gas, sewer and water customers for the period January through September 2023.

Cause: The Town does not have adequate controls in place to ensure accurate rates are entered and applied in the billing software used to bill for the services provided by the Town.

Recommendation: The Town of Maringouin should consider developing policies and procedures that assigns responsibility for ensuring that gas, sewer and water rates are determined and increased annually as set by ordinance, including a process to review bills for accuracy prior to finalizing the bill and mailing to customers. It is also recommended that the Town review the input data and classification of customers to ensure customers are billed correctly.

Views of responsible officials and planned corrective action: In January 2024, management contracted with a third party to calculate rates changes based on the formula defined in the Town's ordinance for gas, sewer and water utility billings. Management anticipates resolution of this matter for the fiscal year ending September 30, 2024.

TOWN OF MARINGOUIN, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2023

C. FINDINGS – NON-COMPLIANCE WITH STATE LAWS AND REGULATIONS

None

TOWN OF MARINGOUIN, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED SEPTEMBER 30, 2023

FINDINGS – FINANCIAL STATEMENT AUDIT

2022-001 Sewer and Water Utility Billing

Observation: Town Ordinance defines the rates and determination of monthly service charges for sewer and water billing. The base and usage rates are to increase on January 1 each year by the previous year's Consumer Price Index (CPI).

Condition: The following exceptions were noted in the Town's billing process during the fiscal year that resulted in the Town underbilling its customers for utility consumption.

- For the period October 2021 through February 2022, the Town did not increase the base or consumption rate charged to customers by the CPI for either water or sewer services. For the period March through May 2022, the Town increased the base rate for water and sewer customers but did not increase the per unit of consumption rate. For the period June through September 2022, the Town did not increase the per unit of consumption rate for sewer users underbilling services for that period.
- The Town improperly billed commercial gas customers for January 2022 services. The rate used to determine bills were less than the rate determined by ordinance for that month.
- The Town uses a multiplier of 100 applied to water and sewer consumption in its determination of monthly utility user fees. It was noted for three of twenty-five customers selected that the multiplier was input incorrectly resulting in the Town underbilling the customers for the per consumption calculation of the monthly bill.
- The Town incorrectly classified a commercial user in the billing system as a residential customer resulting in the Town underbilling for utility services provided.

Current Year Status: Similar finding reported in current year.

TOWN OF MARINGOUIN, LOUISIANA
STATEWIDE AGREED-UPON PROCEDURES REPORT
YEAR ENDED SEPTEMBER 30, 2023



INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Mayor, Members of the Town Council, and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period October 1, 2022 through September 30, 2023. The Town of Maringouin's management is responsible for those C/C areas identified in the SAUPs.

The Town of Maringouin has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period October 1, 2022 through September 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

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

- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

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

- ii. ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

Written policies and procedures were obtained and address the functions noted above with the exception of how vendors are added to the vendor list and the preparation and approval process of purchase requisitions and purchase orders.

- iii. ***Disbursements***, including processing, reviewing, and approving.

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

- iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

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

- v. **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- Written policies and procedures were obtained and address the functions noted above.*
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- Written policies and procedures were obtained and address the functions noted above.*
- vii. **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- Written policies and procedures were obtained and address the functions noted above.*
- viii. **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 the statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- Written policies and procedures were obtained and address the functions noted above.*
- ix. **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 documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- Written policies and procedures were obtained and address the functions noted above.*
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- Written policies and procedures obtained do not address all functions noted above.*
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- Written policies and procedures were obtained and address the functions noted above with the exception of periodic testing/verification that back up can be restored.*
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.
- Written policies and procedures were obtained and address the functions noted above with the exception of annual employee training and annual reporting.*
- Management's Response: The Town intends to adopt and implement the policies not currently in place and amend the policies for the exceptions noted above.*

2) Board (or Finance Committee, if applicable)

A. 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:

- i. 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.

The board met with a quorum as required.

- ii. For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds.

The minutes documented the board's review of financial activity of the entity.

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

Not applicable, the Town did not have a negative unassigned fund balance in the prior year.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

The board did not receive written updates of the progress of resolving audit findings.

Management's response: Going forward, the board will receive updates of the progress of audit findings until the findings are resolved.

3) Bank Reconciliations

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

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

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

No exceptions noted.

- ii. Bank reconciliations include evidence that a member of management or a 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

No exceptions noted.

- iii. 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.

No exceptions noted.

4) Collections (excluding electronic funds transfers)

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

Obtained a listing of deposit sites and management's representation that listing is complete.

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

Obtained a listing of collection locations and management's representation that listing is complete.

- i. Employees responsible for cash collections do not share cash drawers/registers;

Employees responsible for cash collections share cash drawer.

Management's Response: Efforts will be made to segregate duties in the collection process to the extent possible with the limited number of employees involved.

- ii. 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;

No exception noted.

- iii. 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; and

No exception noted.

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

No exception noted.

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

No exceptions noted.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *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.* Obtain supporting documentation for each of the 10 deposits and:

- i. Observe that receipts are sequentially pre-numbered.

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

The Town did not issue a receipt or document the receipt date for four of eleven receipts selected. Therefore, we were unable to determine the timing of the collection to date of deposit.

Management's Response: Management concurs that receipts should or other documentation should notate the receipt date and will update its policy to incorporate this requirement.

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

No exceptions noted.

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

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Obtained listing of locations that process payments and management's representation that listing is complete.

- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

The Town does not have the resources/employees to properly segregate the initiation, approval and execution of a purchase.

Management's Response: Due to the limited number of Town personnel, the Town is not able to properly segregate these functions of processing and approving payment to vendors.

- ii. At least two employees are involved in processing and approving payments to vendors;

No exceptions noted.

- iii. 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;

The person responsible for processing payments is not prohibited from adding/modifying vendor files.

Management's response: Due to the limited number of Town personnel, the Town is not able to properly segregate these functions of processing payment and adding/modifying vendor files. The Town plans to implement a vendor approval form to document new vendor approvals by the Town (Mayor) prior to the Town clerk adding vendors to the accounting system.

- iv. 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; and

Town clerk is responsible for processing checks for payment, signing checks and is also responsible for mailing payments to vendors.

Management's response: Due to the limited number of Town personnel, the Town is not able to properly segregate these functions.

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

No exceptions noted.

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

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

No exception noted.

- ii. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

No exception noted.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

No exception noted.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

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

Obtained listing of the credit cards and management's representation that listing is complete.

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

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

No exceptions noted.

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

No exceptions noted.

- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe 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). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

No exceptions noted.

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

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

Obtained listing of travel and related expense reimbursements and management’s representation that listing is complete.

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

No exceptions noted.

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

No exceptions noted.

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

One employee was reimbursed for actual cost of meals while on travel. The itemized receipts provided for three of seven reimbursements included alcoholic beverages.

Management's response: Management concurs that alcoholic beverages are not allowable for reimbursement with public funds. Management intends to be more diligent in reviewing itemized costs for travel and related expenses to ensure all reimbursements are allowable as an expenditure of public funds.

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

No exceptions noted.

8) Contracts

- A. 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

Obtained listing of contracts initiated or renewed during the fiscal period and management's representation that listing is complete.

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
No exceptions noted.
- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter);
No exceptions noted.
- iii. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
No exceptions noted.
- iv. 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.

No exceptions noted.

9) Payroll and Personnel

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

Obtained listing of employees and management's representation that listing was complete. Agreed paid salaries to authorized salaries/pay rates in the personnel file without exception.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

No exceptions noted.

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

No exceptions noted.

- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
- i. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

No exceptions noted.

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

No exceptions noted.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

No exceptions noted.

11) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

No exceptions noted.

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

Obtained a listing of bonds/notes outstanding and management's representation that the listing is complete.

No exceptions noted.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

Management asserted that the entity did not have any misappropriations of public funds or assets.

- B. Observe 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.

No exceptions noted.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”
- i. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

No exceptions noted.

14) Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Three of the five employees did not complete at least one hour of sexual harassment training during the calendar year.

Management’s Response: The Town will ensure all employees complete at least one hour of sexual harassment training during the calendar year.

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

No exceptions noted.

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

- i. Number and percentage of public servants in the agency who have completed the training requirements;

No exceptions noted.

- ii. Number of sexual harassment complaints received by the agency;

No exceptions noted..

- iii. Number of complaints which resulted in a finding that sexual harassment occurred;

No exceptions noted..

- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

No exceptions noted..

- v. Amount of time it took to resolve each complaint.

No exceptions noted..

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

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

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

Diez, Dupuy & Ruiz
Gonzales, Louisiana
March 15, 2024