

TOWN OF ARNAUVILLE, LOUISIANA

Financial Report

Year Ended June 30, 2021

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INDEPENDENT AUDITOR'S REPORT

WWW.KCSRCPAS.COM

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Arnaudville, Louisiana (Town), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of Arnaudville, Louisiana, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedule of employer's share of net pension liability and schedule of employer contributions on pages 44 through 48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Arnaudville, Louisiana's basic financial statements. The other supplementary information on pages 51 through 65 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

The prior year comparative information on these statements has been derived from the Town of Arnaudville's 2020 financial statements, which was subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and, in our opinion, was fairly presented, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2021, on our consideration of the Town of Arnaudville, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Arnaudville, Louisiana's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
September 23, 2021

BASIC FINANCIAL STATEMENTS

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

TOWN OF ARNAUDVILLE, LOUISIANA

Statement of Net Position
June 30, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and interest-bearing demand deposits	\$ 1,022,611	\$ 612,583	\$ 1,635,194
Interest-bearing time deposits	478,812	1,040,226	1,519,038
Receivables, net	50,394	125,776	176,170
Internal balances	154,229	(154,229)	-
Due from other governmental units	62,000	-	62,000
Prepaid items	11,036	13,179	24,215
Total current assets	1,779,082	1,637,535	3,416,617
Noncurrent assets:			
Restricted assets:			
Cash and interest-bearing demand deposits	-	177,149	177,149
Interest-bearing time deposits	-	45,124	45,124
Capital assets, net	2,270,832	4,699,303	6,970,135
Total noncurrent assets	2,270,832	4,921,576	7,192,408
Total assets	4,049,914	6,559,111	10,609,025
DEFERRED OUTFLOWS OF RESOURCES	192,358	141,796	334,154
LIABILITIES			
Current liabilities:			
Accounts and other payables	32,589	236,760	269,349
Bonds payable	-	42,000	42,000
Customers deposits payable	-	62,540	62,540
Total current liabilities	32,589	341,300	373,889
Noncurrent liabilities:			
Net pension liability	651,149	459,474	1,110,623
Bonds payable	-	31,000	31,000
Total noncurrent liabilities	651,149	490,474	1,141,623
Total liabilities	683,738	831,774	1,515,512
DEFERRED INFLOWS OF RESOURCES	137,647	2,605	140,252
NET POSITION			
Net investment in capital assets	2,270,832	4,469,590	6,740,422
Restricted for sales tax dedications	1,143,629	-	1,143,629
Restricted for debt service	-	117,733	117,733
Unrestricted	6,426	1,279,205	1,285,631
Total net position	\$ 3,420,887	\$ 5,866,528	\$ 9,287,415

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

TOWN OF ARNAUDVILLE, LOUISIANA

Statement of Activities
For the Year Ended June 30, 2021

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 368,846	\$ 108,589	\$ -	\$ -	\$ (260,257)	\$ -	\$ (260,257)
Public safety:							
Police	402,094	22,098	5,500	-	(374,496)	-	(374,496)
Streets	87,136	-	5,385	-	(81,751)	-	(81,751)
Parks and recreation	45,492	-	13,268	-	(32,224)	-	(32,224)
Total governmental activities	<u>903,568</u>	<u>130,687</u>	<u>24,153</u>	<u>-</u>	<u>(748,728)</u>	<u>-</u>	<u>(748,728)</u>
Business-type activities:							
Gas	305,988	363,912	-	-	-	57,924	57,924
Water	499,087	416,688	-	-	-	(82,399)	(82,399)
Sewer	271,092	201,445	-	-	-	(69,647)	(69,647)
Sanitation	12,745	1,233	-	-	-	(11,512)	(11,512)
Total business-type activities	<u>1,088,912</u>	<u>983,278</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(105,634)</u>	<u>(105,634)</u>
Total	<u>\$ 1,992,480</u>	<u>\$ 1,113,965</u>	<u>\$ 24,153</u>	<u>\$ -</u>	<u>(748,728)</u>	<u>(105,634)</u>	<u>(854,362)</u>
General revenues:							
Taxes -							
Property taxes, levied for general purposes					43,526	50,335	93,861
Sales and use taxes, levied for general purposes					709,622	-	709,622
Franchise taxes					61,581	-	61,581
Grants and contributions not restricted to specific programs -							
State sources					36,644	-	36,644
Non-employer pension contribution					12,267	7,210	19,477
Interest and investment earnings					4,187	9,000	13,187
Miscellaneous					18,888	-	18,888
Transfers					39,251	(39,251)	-
Total general revenues and transfers					<u>925,966</u>	<u>27,294</u>	<u>953,260</u>
Change in net position					177,238	(78,340)	98,898
Net position - July 1, 2020					<u>3,243,649</u>	<u>5,944,868</u>	<u>9,188,517</u>
Net position - June 30, 2021					<u>\$ 3,420,887</u>	<u>\$ 5,866,528</u>	<u>\$ 9,287,415</u>

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

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTIONS

MAJOR FUNDS

General Fund

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

Special Revenue Funds

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

1969 Sales Tax Fund -

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

1982 Sales Tax Fund -

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

Capital Projects Funds

Street Improvement Fund -

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

2% Set Aside Fund -

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

LCDBG Grant Projects Fund -

To account for the receipt and subsequent disbursement of Louisiana Community Block Grants and Town's matching funds to be utilized for various projects.

Enterprise Fund

Utility Fund -

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

TOWN OF ARNAUDVILLE, LOUISIANA

Balance Sheet
Governmental Funds
June 30, 2021

	General	1969 Sales Tax Special Revenue	1982 Sales Tax Special Revenue	Street Improvement Capital Projects	2% Set Aside Capital Projects	LCDBG Grant Projects	Total
ASSETS							
Cash and interest-bearing demand deposits	\$ 270,870	\$ 304,055	\$ 433,953	\$ 13,731	\$ -	\$ 2	\$ 1,022,611
Interest-bearing time deposits	-	233,981	121,847	-	122,984	-	478,812
Receivables:							
Other	49,706	-	-	-	-	-	49,706
Interest	-	337	319	-	32	-	688
Due from other governmental units	-	31,000	31,000	-	-	-	62,000
Due from other funds	199,396	26,971	4,886	-	41,821	-	273,074
Prepaid items	11,036	-	-	-	-	-	11,036
Total assets	<u>531,008</u>	<u>596,344</u>	<u>592,005</u>	<u>13,731</u>	<u>164,837</u>	<u>2</u>	<u>1,897,927</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	9,968	4,145	376	-	-	-	14,489
Contracts payable	-	-	-	-	-	-	-
Retainage payable	-	-	-	-	-	-	-
Due to other funds	<u>78,646</u>	<u>29,024</u>	<u>11,175</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>118,845</u>
Total liabilities	<u>88,614</u>	<u>33,169</u>	<u>11,551</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>133,334</u>
Fund balances -							
Nonspendable (prepaid items)	11,036	-	-	-	-	-	11,036
Restricted for sales tax dedications	-	563,175	580,454	-	-	-	1,143,629
Assigned for capital projects	-	-	-	13,731	164,837	2	178,570
Unassigned	<u>431,358</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>431,358</u>
Total fund balances	<u>442,394</u>	<u>563,175</u>	<u>580,454</u>	<u>13,731</u>	<u>164,837</u>	<u>2</u>	<u>1,764,593</u>
Total liabilities and fund balances	<u>\$ 531,008</u>	<u>\$ 596,344</u>	<u>\$ 592,005</u>	<u>\$ 13,731</u>	<u>\$ 164,837</u>	<u>\$ 2</u>	<u>\$ 1,897,927</u>

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

TOWN OF ARNAUDVILLE, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2021

Total fund balances for governmental funds at June, 30, 2021		\$1,764,593
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 201,668	
Buildings and improvements, net of \$513,053 accumulated depreciation	681,704	
Infrastructure, net of \$634,379 accumulated depreciation	1,279,532	
Equipment and vehicles, net of \$474,158 accumulated depreciation	<u>107,928</u>	2,270,832
The deferred outflows of expenditures for the municipal and police employees retirement systems are not a use of current resources, and therefore, are not reported in the funds		
		192,358
Long-term liabilities of governmental activities are not payable from current resources and, therefore, not reported in the funds. These liabilities consist of:		
Compensated absences payable	(18,100)	
Net pension liability	<u>(651,149)</u>	(669,249)
The deferred inflows of contributions for the municipal and police employees retirement systems are not available resources, and therefore, are not reported in the funds		
		<u>(137,647)</u>
Total net position of governmental activities at June, 30, 2021		<u>\$3,420,887</u>

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

TOWN OF ARNAUDVILLE, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
For the Year Ended June 30, 2021

	General	1969 Sales Tax Special Revenue	1982 Sales Tax Special Revenue	Street Improvement Capital Projects	2% Set Aside Capital Projects	LCDBG Grant Projects	Total
Revenues:							
Taxes	\$ 105,107	\$ 354,811	\$ 354,811	\$ -	\$ -	\$ -	\$ 814,729
Licenses and permits	108,588	-	-	-	-	-	108,588
Intergovernmental	42,029	5,500	-	-	-	-	47,529
Fines and forfeits	22,098	-	-	-	-	-	22,098
Miscellaneous	32,157	1,734	1,113	95	1,245	-	36,344
Total revenues	<u>309,979</u>	<u>362,045</u>	<u>355,924</u>	<u>95</u>	<u>1,245</u>	<u>-</u>	<u>1,029,288</u>
Expenditures:							
Current -							
General government	265,377	19,371	14,993	-	-	-	299,741
Public safety - police	213,627	216,718	-	-	-	-	430,345
Streets	15,143	-	26,041	-	-	-	41,184
Parks and recreation	32,157	-	3,548	-	-	-	35,705
Capital outlay	25,274	-	366,646	-	-	-	391,920
Total expenditures	<u>551,578</u>	<u>236,089</u>	<u>411,228</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,198,895</u>
Excess (deficiency) of revenues over expenditures	<u>(241,599)</u>	<u>125,956</u>	<u>(55,304)</u>	<u>95</u>	<u>1,245</u>	<u>-</u>	<u>(169,607)</u>
Other financing sources (uses):							
Transfers in	100,000	-	16,920	-	39,251	-	156,171
Transfers out	(16,920)	-	-	(25,000)	(75,000)	-	(116,920)
Total other financing sources (uses)	<u>83,080</u>	<u>-</u>	<u>16,920</u>	<u>(25,000)</u>	<u>(35,749)</u>	<u>-</u>	<u>39,251</u>
Net changes in fund balances	(158,519)	125,956	(38,384)	(24,905)	(34,504)	-	(130,356)
Fund balances, beginning	<u>600,913</u>	<u>437,219</u>	<u>618,838</u>	<u>38,636</u>	<u>199,341</u>	<u>2</u>	<u>1,894,949</u>
Fund balances, ending	<u>\$ 442,394</u>	<u>\$ 563,175</u>	<u>\$ 580,454</u>	<u>\$ 13,731</u>	<u>\$ 164,837</u>	<u>\$ 2</u>	<u>\$ 1,764,593</u>

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

TOWN OF ARNAUDVILLE, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2021

Total net changes in fund balance at June 30, 2021 per statement of revenues, expenditures and changes in fund balances		\$ (130,356)
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay which are considered expenditures on the statement of revenues, expenditures and changes in fund balances	\$ 391,920	
Depreciation expense for the year ended June 30, 2021	<u>(108,970)</u>	282,950
Differences between the amount reported as expenses in the statement of activities and those reported as expenditures in the fund financial statements:		
Compensated absences	(3,878)	
Pension expense	<u>16,255</u>	12,377
Non-employer's contributions to the municipal employees and the police employees pension plans		<u>12,267</u>
Total net changes in net position at June 30, 2021 per statement of activities		<u>\$ 177,238</u>

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

TOWN OF ARNAUDVILLE, LOUISIANA

Statement of Net Position
Proprietary Fund
June 30, 2021

	<u>Enterprise Fund</u>
ASSETS	
Current assets:	
Cash and interest-bearing demand deposits	\$ 612,583
Interest-bearing time deposits	1,040,226
Receivables:	
Accounts	123,806
Other	1,970
Due from other funds	64,209
Prepaid items	13,179
Total current assets	<u>1,855,973</u>
Noncurrent assets:	
Restricted assets -	
Cash and interest-bearing demand deposits	177,149
Interest-bearing time deposits	45,124
Capital assets, net of accumulated depreciation	4,699,303
Total noncurrent assets	<u>4,921,576</u>
Total assets	<u>6,777,549</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>141,796</u>
LIABILITIES	
Current liabilities:	
Accounts payable	27,332
Contracts payable	182,000
Retainage payable	16,713
Due to other funds	218,438
Accrued liabilities	10,715
Payable from restricted assets -	
Revenue bonds	42,000
Customers' deposits payable	62,540
Total current liabilities	<u>559,738</u>
Noncurrent liabilities:	
Net pension liability	459,474
Revenue bonds payable	31,000
Total noncurrent liabilities	<u>490,474</u>
Total liabilities	<u>1,050,212</u>
DEFERRED INFLOWS OF RESOURCES	<u>2,605</u>
NET POSITION	
Net investment in capital assets	4,469,590
Restricted for debt service	117,733
Unrestricted	1,279,205
Total net position	<u>\$ 5,866,528</u>

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

TOWN OF ARNAUDVILLE

Statement of Revenues, Expenses, and Changes in Fund Net Position -
 Proprietary Fund
 For the Year Ended June 30, 2021

	<u>Enterprise Fund</u>
Operating revenues:	
Charges for services -	
Gas charges	\$ 337,969
Water charges	407,334
Sewer service charges	197,758
Sanitation charges	1,220
Miscellaneous	<u>38,997</u>
Total operating revenues	<u>983,278</u>
Operating expenses:	
Salaries	237,190
Payroll taxes and retirement	65,561
Retirement - GASB 68	27,909
Gas purchases	64,615
Supplies, repairs and maintenance	246,540
Professional fees	31,860
Telephone	7,208
Depreciation	277,906
Insurance	52,286
Utilities	32,431
Fire department expense	3,072
Office supplies	11,073
Miscellaneous	<u>26,657</u>
Total operating expenses	<u>1,084,882</u>
Operating loss	<u>(101,604)</u>

(continued)

TOWN OF ARNAUDVILLE, LOUISIANA

Statement of Revenues, Expenses, and Changes in Fund Net Position -
 Proprietary Fund (Continued)
 For the Year Ended June 30, 2021

	Enterprise Fund
Nonoperating revenues (expenses):	
Non-employer pension contribution	7,210
Interest income	9,000
Ad valorem taxes	50,335
Interest expense	(4,030)
Total nonoperating revenues (expenses)	62,515
Loss before transfers	(39,089)
Transfers	(39,251)
Change in net position	(78,340)
Net position, beginning	5,944,868
Net position, ending	\$ 5,866,528

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

TOWN OF ARNAUDVILLE, LOUISIANA

Statement of Cash Flows
 Proprietary Fund
 For the Year Ended June 30, 2021

	<u>Enterprise Fund</u>
Cash flows from operating activities:	
Receipts from customers	\$ 976,414
Payments to suppliers	(605,734)
Payments to employees	<u>(171,629)</u>
Net cash provided by operating activities	<u>199,051</u>
Cash flows from noncapital financing activities:	
Cash received by other funds	(15,051)
Transfers to other funds	(39,251)
Increase in customer deposits payable	3,310
Ad valorem tax receipts	<u>50,335</u>
Net cash used by noncapital financing activities	<u>(657)</u>
Cash flows from capital and related financing activities:	
Principal paid on revenue bonds	(40,000)
Interest and fiscal charges paid on revenue bonds	(4,030)
Acquisition of property, plant and equipment	<u>(280,186)</u>
Net cash used by capital and related financing activities	<u>(324,216)</u>
Cash flows from investing activities:	
Maturities of interest-bearing time deposits	1,072,442
Purchase of interest-bearing time deposits	(1,085,350)
Interest on interest-bearing deposits	<u>9,000</u>
Net cash provided by investing activities	<u>(3,908)</u>
Net decrease in cash and cash equivalents	(129,730)
Cash and cash equivalents, beginning of period	<u>919,462</u>
Cash and cash equivalents, end of period	<u>\$ 789,732</u>

(continued)

TOWN OF ARNAUDVILLE, LOUISIANA

Statement of Cash Flows
Proprietary Fund (Continued)
For the Year Ended June 30, 2021

	<u>Enterprise Fund</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	\$ (101,604)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	277,906
Pension	27,909
Changes in current assets and liabilities:	
Increase in accounts receivable	(6,864)
Decrease in other receivables	4,558
Increase in prepaid items	(1,832)
Increase in accounts payable	831
Decrease in accrued liabilities	<u>(1,853)</u>
Net cash provided by operating activities	<u>\$ 199,051</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:	
Cash and cash equivalents, beginning of period -	
Cash - unrestricted	\$ 748,102
Cash - restricted	<u>171,360</u>
Total cash and cash equivalents	<u>919,462</u>
Cash and cash equivalents, end of period -	
Cash - unrestricted	612,583
Cash - restricted	<u>177,149</u>
Total cash and cash equivalents	<u>789,732</u>
Net decrease	<u>\$ (129,730)</u>

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

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

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

A Financial Reporting Entity

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

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

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

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

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

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Fund Financial Statements

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

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

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

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

Governmental Funds -

General Fund

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

Special Revenue Funds

1969 Sales Tax Fund -

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

1982 Sales Tax Fund -

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

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Capital Projects Funds

Street Improvement Fund -

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

2% Set Aside Fund -

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

LCDBG Grant Projects Fund -

The LCDBG Grant Projects Fund is used to account for the receipt and subsequent disbursement of Louisiana Community Block Grants and Town's matching funds to be utilized for the various projects.

Proprietary Fund -

Enterprise Fund -

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

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

C. Measurement Focus/Basis of Accounting

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

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Measurement Focus

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

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

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

Basis of Accounting

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

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

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

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

Cash, interest-bearing deposits, and investments

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

Interfund receivables and payables

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

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include ad valorem taxes, sales and use taxes, and franchise taxes. Business-type activities report customer's utility service receivables as their major receivables. An allowance for uncollectible ad valorem taxes was recorded at an amount equal to the receivable balance, because collection is unlikely. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month are estimated and recorded at June 30, 2021.

Capital Assets

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

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

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

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

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

Restricted Assets

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

Long-term debt

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

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

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

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures of revenues, respectively. At June 30, 2021, the Town's deferred outflows and inflows of resources are attributable to its pension plans.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Compensated Absences

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

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

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

At June 30, 2021, vested leave benefits have been accrued as required by GASB statement No. 16 "Accounting for Compensated Absences."

Equity Classifications

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

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

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

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

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

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

E. Capitalization of Interest Expense

It is the policy of the Town of Arnaudville to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets. At June 30, 2021, there was no material interest paid on borrowings for assets under construction, and therefore, no capitalized interest expense was recorded on the books.

F. Use of Estimates

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

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(2) Ad Valorem Taxes

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

For the year ended June 30, 2021, taxes of 12.72 mills were levied on property with assessed valuations totaling \$6,641,850 and were dedicated as follows:

General corporate purposes	5.72 mills
Utility system	7.00 mills

Total taxes levied were \$84,485. Taxes receivable at June 30, 2021 was \$17,613. The allowance for uncollectible accounts was \$14,204 at June 30, 2021; therefore, the net taxes receivable is \$3,409 at June 30, 2021.

(3) Sales and Use Tax

Proceeds of a 1 percent sales and use tax (accounted for in the 1969 Sales Tax Fund - a special revenue fund) levied by the Town of Arnaudville (2021 collections \$354,811) are dedicated to the following purposes:

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

Proceeds of a 1 percent sales and use tax (accounted for in the 1982 Sales Tax Fund - a special revenue fund) levied by the Town of Arnaudville (2021 collections \$354,811) are dedicated to the following purposes:

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

The above sales taxes were issued in perpetuity.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(4) Cash and Interest-Bearing Deposits and Investments

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

At June 30, 2021, the Town had cash and interest-bearing deposits (book balances) totaling \$3,376,505 as follows:

Demand deposits	\$1,812,343
Time deposits	<u>1,564,162</u>
Total	<u>\$3,376,505</u>

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

Deposit balances (bank balances) at June 30, 2021 were secured as follows:

Bank balances	<u>\$3,415,773</u>
Federal deposit insurance	1,000,000
Pledged securities	<u>2,415,773</u>
Total FDIC insurance and pledged securities	<u>\$3,415,773</u>

Deposits in the amount of \$2,415,773 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the Town's name. Even though the pledged securities are considered uncollateralized, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Town that the fiscal agent has failed to pay deposited funds upon demand. The Town does not have a policy for custodial credit risk.

TOWN OF ARNAUDVILLE, LOUISIANA
Notes to Basic Financial Statements (Continued)

(5) Receivables

Receivables at June 30, 2021 of \$176,170 consist of the following:

	<u>General</u>	<u>1969 Sales Tax</u>	<u>1982 Sales Tax</u>	<u>2% Set Aside</u>	<u>Utility</u>	<u>Total</u>
Accounts	\$ -	\$ -	\$ -	\$ -	\$ 123,615	\$ 123,615
Allowance	-	-	-	-	(1,684)	(1,684)
Ad valorem taxes	1,534	-	-	-	1,875	3,409
Franchise taxes	48,172	-	-	-	-	48,172
Interest	-	337	319	32	1,970	2,658
Totals	<u>\$ 49,706</u>	<u>\$ 337</u>	<u>\$ 319</u>	<u>\$ 32</u>	<u>\$ 125,776</u>	<u>\$ 176,170</u>

(6) Due from Other Governmental Units

Amounts due from other governmental units at June 30, 2021 consisted of the following:

1969 Sales Tax Special Revenue Fund:

Amount due from the St. Landry Parish School Board for sales tax revenues for the month of June 2021 \$ 31,000

1982 Sales Tax Special Revenue Fund:

Amount due from the St. Landry Parish School Board for sales tax revenues for the month of June 2021 31,000

\$ 62,000

(7) Restricted Assets

Restricted assets in the business-type activities consisted of the following at June 30, 2021:

Revenue bond sinking and interest redemption fund	\$ 56,783
Revenue bond reserve fund	21,985
Revenue bond capital additions and contingencies fund	80,965
Customers' deposits	62,540
Total restricted assets	<u>\$222,273</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(8) Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	Balance 7/1/2020	Additions	Deletions	Balance 6/30/2021
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 201,668	\$ -	\$ -	\$ 201,668
Other capital assets:				
Buildings and improvements	1,194,664	-	-	1,194,664
Infrastructure	1,529,827	384,176	-	1,914,003
Equipment and vehicles	574,342	7,745	-	582,087
Totals	<u>3,500,501</u>	<u>391,921</u>	<u>-</u>	<u>3,892,422</u>
Less accumulated depreciation				
Buildings and improvements	485,044	28,009	-	513,053
Infrastructure	582,838	51,541	-	634,379
Equipment and vehicles	444,738	29,420	-	474,158
Total accumulated depreciation	<u>1,512,620</u>	<u>108,970</u>	<u>-</u>	<u>1,621,590</u>
Governmental activities, capital assets, net	<u>\$ 1,987,881</u>	<u>\$ 282,951</u>	<u>\$ -</u>	<u>\$ 2,270,832</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 58,209	\$ -	\$ -	\$ 58,209
Construction in progress	-	222,815	-	222,815
Other capital assets:				
Plant and equipment - gas	951,368	-	17,157	934,211
Plant and equipment - water system	3,506,730	227,500	59,210	3,675,020
Plant and equipment - sewer system	3,795,747	-	25,723	3,770,024
Auto and office equipment	388,133	23,791	25,276	386,648
Totals	<u>8,700,187</u>	<u>474,106</u>	<u>127,366</u>	<u>9,046,927</u>
Less accumulated depreciation				
Plant and equipment - gas	714,359	14,903	17,157	712,105
Plant and equipment - water system	1,456,609	126,099	59,210	1,523,498
Plant and equipment - sewer system	1,717,812	114,835	25,723	1,806,924
Auto and office equipment	308,304	22,069	25,276	305,097
Total accumulated depreciation	<u>4,197,084</u>	<u>277,906</u>	<u>127,366</u>	<u>4,347,624</u>
Business-type activities, capital assets, net	<u>\$ 4,503,103</u>	<u>\$ 196,200</u>	<u>\$ -</u>	<u>\$ 4,699,303</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 39,435
Police	13,795
Streets	45,953
Park and recreation	<u>9,787</u>
Total depreciation expense	<u>\$ 108,970</u>

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

Gas	\$ 22,848
Water	135,809
Sewer	<u>119,249</u>
Total depreciation expense	<u>\$ 277,906</u>

(9) Accounts, Salaries, and Other Payables

The accounts, salaries, and other payables consisted of the following at June 30, 2021:

	Governmental Activities	Business-Type Activities	Total
Accounts	\$ 5,873	\$ 18,006	\$ 23,879
Contracts payable	-	182,000	182,000
Retainage payable	-	16,713	16,713
Retirement payable	8,616	6,601	15,217
Compensated absences	<u>18,100</u>	<u>13,440</u>	<u>31,540</u>
Totals	<u>\$ 32,589</u>	<u>\$ 236,760</u>	<u>\$ 269,349</u>

(10) Long-Term Liabilities

The following is a summary of long-term liabilities transactions of the Town for the year ended June 30, 2021:

	<u>Bonds Payable</u>
Long-term liabilities at July 1, 2020	\$ 113,000
Additions	-
Reductions	<u>(40,000)</u>
Long-term liabilities at June 30, 2021	<u>\$ 73,000</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

Bonds payable at June 30, 2021 is comprised of the following:

Revenue Bonds:		<u>Due Within One Year</u>
\$245,000 Utility Bonds dated 3/24/82; due in annual installments of \$3,000 to \$13,000 through 3/24/22; interest at 5.00 percent	\$ 13,000	\$ 13,000
\$360,000 Water Bond (Prairie Des Femmes Acquisition), Series 2007 dated 10/5/07; due in annual installments of \$10,000 to \$31,000 through 5/1/23; original interest at 4.42 percent, reduced to 3.16 percent effective 1/1/12	<u>60,000</u>	<u>29,000</u>
	<u>\$ 73,000</u>	<u>\$ 42,000</u>

Interest in the amount of \$2,640 was charged to expense and allocated to the water department.

The annual requirements to amortize the outstanding debt as of June 30, 2021 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 42,000	\$ 2,546	\$ 44,546
2023	<u>31,000</u>	<u>980</u>	<u>31,980</u>
	<u>\$ 73,000</u>	<u>\$ 3,526</u>	<u>\$ 76,526</u>

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

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

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

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

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

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

(12) Pension Plans

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

Plan Descriptions:

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

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

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

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

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

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

¹ With actuarial reduced benefits

² Membership commencing January 1, 2013

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

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

Contributions

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee. Contributions of employees, employers, and non-employer contributing entities effective for the year ended June 30, 2021 for the defined benefit pension plans in which the Town is a participating employer were as follows:

<u>Plan</u>	<u>Active Member Contribution Percentage</u>	<u>Employer Contribution Percentage</u>	<u>Nonemployer Contributing Entities</u>	<u>Government Contributions</u>
MERS	9.50%	27.75%	\$ 13,351	\$ 111,142
MPERS	10.00%	32.50%	6,126	35,192
Total			<u>\$ 19,477</u>	<u>\$ 146,334</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Net Pension Liability

The Town's net pension liability at June 30, 2021 is comprised of its proportionate share of the net pension liability relating to each of the cost-sharing plans in which the Town is a participating employer. The Town's net pension liability for each plan was measured as of the plan's measurement date (June 30, 2020 for both plans) and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportionate share of the net pension liability for each of the plans in which it participates was based on the Town's required contributions in proportion to total required contributions for all employers. As of the most recent measurement date, the Town's proportion for each plan and the change in proportion from the prior measurement date were as follows:

<u>Plan</u>	<u>Proportionate Share of Net Pension Liability</u>	<u>Proportionate Share (%) of Net Pension Liability</u>	<u>Increase/(Decrease) from Prior Measurement Date</u>
MERS	\$ 850,877	0.196807%	0.010609%
MPERS	<u>259,746</u>	0.028104%	-0.005767%
Total	<u>\$ 1,110,623</u>		

Since the measurement date of the net pension liability was June 30, 2020, the net pension liability is based upon fiduciary net position for each of the plans as of those dates. Detailed information about each pension plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the Town's net pension liability is available in the separately issued plan financial reports for those fiscal years. The financial report for each plan may be accessed on their website as follows:

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

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Actuarial Assumptions

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

	<u>MERS</u>	<u>MPERS</u>
Date of experience study on which significant assumptions are based	7/1/2013 - 6/30/2018	7/1/2014 - 6/20/2019
Actuarial cost method	Entry Age Normal	Entry Age Normal
Investment rate of return	6.95%, net of investment expense	6.95%, net of investment expense
Expected remaining service lives	3	4
Inflation rate	2.5%	2.5%
Projected salary increases	4.9% - 7.4%	4.70% - 12.30%
Projected benefit changes including COLAs	None	None
Source of mortality assumptions	(1), (2), (3)	(4), (5), (6)

- (1) PUBG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using MP2018 scales
- (2) PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusting using MP2018 scales
- (3) PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale
- (4) RP-2010 Safety Below-Median Healthy Retiree Table multiplied by 115% for males and 125% for females, each with full generational projection using the MP 2019 scale
- (5) RP-2010 Safety Below-Median Employee Table multiplied by 115% for males and 125% for females, each with full generational projection using the MP 2019 scale
- (6) RP-2010 Safety Disable Retiree Table multiplied by 105% for males and 115% for females, each with full generational projection using the MP 2019 scale

Cost of Living Adjustments

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

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

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Long-term Rate of Return

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

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

<u>Asset Class</u>	<u>MERS</u>		<u>MPERS</u>	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income	38.00%	1.67%	33.50%	0.54%
Equities	53.00%	2.33%	48.50%	3.08%
Alternative Investments	9.00%	0.40%	18.00%	1.02%
Totals	<u>100%</u>	4.40%	100.00%	4.64%
Inflation		<u>2.60%</u>		<u>2.55%</u>
Expected arithmetic nominal return		<u>7.00%</u>		<u>7.19%</u>

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

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended June, 30 2021, the Town recognized \$183,521 in pension expense related to MERS and a \$25,532 pension benefit related to MPERS.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Basic Financial Statements (Continued)

At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		
	MERS	MPERS	Total
Difference between expected and actual experience	\$ 395	\$ -	\$ 395
Changes of assumptions	14,314	6,172	20,486
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	50,867	-	50,867
Net differences between projected and actual earnings on plan investments	84,910	31,162	116,072
Contributions subsequent to the measurement date	111,142	35,192	146,334
Total	<u>\$ 261,628</u>	<u>\$ 72,526</u>	<u>\$ 334,154</u>

	Deferred Inflows of Resources		
	MERS	MPERS	Total
Difference between expected and actual experience	\$ 4,824	\$ 10,231	\$ 15,055
Changes of assumptions	-	6,410	6,410
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	-	118,787	118,787
Total	<u>\$ 4,824</u>	<u>\$ 135,428</u>	<u>\$ 140,252</u>

Deferred outflows of resources of \$146,334 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending June 30, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

<u>Year Ended June 30,</u>	MERS	MPERS	Total
2022	\$ 73,397	\$ (60,357)	\$ 13,040
2023	40,526	(37,599)	2,927
2024	19,293	(6,056)	13,237
2025	12,446	5,918	18,364
	<u>\$ 145,662</u>	<u>\$ (98,094)</u>	<u>\$ 47,568</u>

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net positions was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for MERS was 6.95%, a decrease of .05% from the prior year. The discount rate used to measure the total pension liability for MPERS was 6.95%, a decrease of .175% from the prior year.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Basic Financial Statements (Continued)

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

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

<u>Plan</u>	<u>Current Discount Rate</u>	<u>Net Pension Liability</u>		
		<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
MERS	6.950%	\$ 1,106,898	\$ 850,877	\$ 634,401
MPERS	6.950%	<u>364,916</u>	<u>259,746</u>	<u>171,829</u>
Total		<u>\$ 1,471,814</u>	<u>\$ 1,110,623</u>	<u>\$ 806,230</u>

Payables to the Pension Plans

At June 30, 2021, the Town’s payables were \$4,329 and \$672 to MERS and MPERS, respectively, for the month of June 2021, which were the contractually required contributions.

(13) On-Behalf Payment of Salaries

The State of Louisiana paid the Town’s policemen \$5,500 of supplemental pay during the year ended June 30, 2021. Such payments are recorded as intergovernmental revenues and public safety and general government expenditures in the government-wide and 1969 Sales Tax Fund financial statements.

(14) Risk Management

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

(15) Pending Litigation

At June 30, 2021, the Town is involved in a lawsuit claiming damages. In the opinion of the Town’s legal counsel, the only exposure to the Town would be any costs in defense of the lawsuit with no liability to the Town in excess of insurance coverage.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(16) Departmental Information for the Enterprise Fund

The Town of Arnaudville maintains one enterprise fund with four departments, which provides gas, water, sewerage and sanitation (on a limited basis) services. Departmental information for the year ended June 30, 2021 was as follows:

	Gas Department	Water Department	Sewerage Department	Sanitation Department	Total Enterprise Fund
Operating revenues	\$ 363,912	\$ 416,688	\$ 201,445	\$ 1,233	\$ 983,278
Operating expenses:					
Depreciation expense	22,848	135,809	119,249	-	277,906
Other operating expenses	283,140	359,248	151,843	12,745	806,976
Total operating expenses	305,988	495,057	271,092	12,745	1,084,882
Operating income (loss)	\$ 57,924	\$ (78,369)	\$ (69,647)	\$ (11,512)	\$ (101,604)

(17) Compensation of Town Officials

A detail of compensation paid to the Mayor, Chief of Police, and Board of Aldermen for the year ended June 30, 2021 follows:

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

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

Under Act 706, the Town of Arnaudville is required to disclose the compensation, reimbursements, benefits, and other payments made to the mayor, in which the payments are related to the position. The following is a schedule of payments made to Todd Meche, Mayor for the year ended June 30, 2021:

Salary	\$ 15,455
Benefits - retirement	234
Reimbursements	60
Travel	144
	\$ 15,893

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(19) Interfund Transactions

A. Receivables and Payables

Interfund receivables and payables consisted of the following at June 30, 2021:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Funds:		
Governmental Funds:		
General Fund	\$ 199,396	\$ 78,646
1969 Sales Tax Special Revenue Fund	26,971	29,024
1982 Sales Tax Special Revenue Fund	4,886	11,175
2% Set Aside Capital Projects Fund	41,821	-
Enterprise Fund:		
Utility Fund	<u>64,209</u>	<u>218,438</u>
Total	<u>\$ 337,283</u>	<u>\$ 337,283</u>

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

B. Interfund Transfers

Interfund transfers consisted of the following at June 30, 2021:

	<u>Interfund Transfers In</u>	<u>Interfund Transfers Out</u>
Major Funds:		
Governmental Funds:		
General Fund	\$ 100,000	\$ 16,920
1982 Sales Tax Special Revenue Fund	16,920	-
Street Improvement Capital Projects Fund	-	25,000
2% Set Aside Capital Projects Fund	39,251	75,000
Enterprise Fund:		
Utility Fund	<u>-</u>	<u>39,251</u>
Total	<u>\$ 156,171</u>	<u>\$ 156,171</u>

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

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(20) New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued the following statements which were not required to be implemented by the Government during the fiscal year.

- GASB Statement No. 87, "Leases." The requirements of this Statement are effective for fiscal years beginning after June 30, 2022.
- GASB Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period." The requirements of this Statement are effective for fiscal years beginning after December 31, 2021.

The effect of implementation of these new pronouncements on the Government's financial statements has not yet been determined.

(21) Uncertainties Arising During and After Financial Statement Date

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

**REQUIRED SUPPLEMENTARY
INFORMATION**

TOWN OF ARNAUDVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 106,850	\$ 117,195	\$ 105,107	\$ (12,088)
Licenses and permits	75,535	65,535	108,588	43,053
Intergovernmental	51,880	32,745	42,029	9,284
Fines and forfeits	11,100	16,210	22,098	5,888
Miscellaneous	<u>17,437</u>	<u>18,085</u>	<u>32,157</u>	<u>14,072</u>
Total revenues	<u>262,802</u>	<u>249,770</u>	<u>309,979</u>	<u>60,209</u>
Expenditures:				
General government	299,910	289,770	265,377	24,393
Public safety - police	223,325	234,555	213,627	20,928
Streets	15,530	15,330	15,143	187
Parks and recreation	34,680	40,930	32,157	8,773
Capital outlay	<u>60,328</u>	<u>44,505</u>	<u>25,274</u>	<u>19,231</u>
Total expenditures	<u>633,773</u>	<u>625,090</u>	<u>551,578</u>	<u>73,512</u>
Deficiency of revenues over expenditures	<u>(370,971)</u>	<u>(375,320)</u>	<u>(241,599)</u>	<u>133,721</u>
Other financing sources (uses):				
Transfers in	174,285	100,000	100,000	-
Transfers out	<u>(69,457)</u>	<u>(45,000)</u>	<u>(16,920)</u>	<u>28,080</u>
Total other financing sources (uses)	<u>104,828</u>	<u>55,000</u>	<u>83,080</u>	<u>28,080</u>
Net change in fund balances	(266,143)	(320,320)	(158,519)	161,801
Fund balance, beginning	<u>600,913</u>	<u>600,913</u>	<u>600,913</u>	<u>-</u>
Fund balance, ending	<u>\$ 334,770</u>	<u>\$ 280,593</u>	<u>\$ 442,394</u>	<u>\$ 161,801</u>

TOWN OF ARNAUDVILLE, LOUISIANA
1969 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 296,200	\$ 330,000	\$ 354,811	\$ 24,811
On-behalf payments	12,000	7,000	5,500	(1,500)
Miscellaneous - interest and other	-	-	1,734	1,734
Total revenues	<u>308,200</u>	<u>337,000</u>	<u>362,045</u>	<u>25,045</u>
Expenditures:				
General government -				
Bank charges	150	-	5	(5)
Collection fees	4,785	4,785	3,061	1,724
Professional fees	<u>20,930</u>	<u>20,930</u>	<u>16,305</u>	<u>4,625</u>
Total general government	<u>25,865</u>	<u>25,715</u>	<u>19,371</u>	<u>6,344</u>
Public safety - police -				
Salaries	188,980	167,000	150,325	16,675
Supplemental pay	12,000	7,000	5,500	1,500
Worker's compensation	15,120	13,750	10,616	3,134
Payroll taxes and retirement	62,655	45,600	39,000	6,600
Contract labor	<u>7,500</u>	<u>7,720</u>	<u>11,277</u>	<u>(3,557)</u>
Total public safety	<u>286,255</u>	<u>241,070</u>	<u>216,718</u>	<u>24,352</u>
Total expenditures	<u>312,120</u>	<u>266,785</u>	<u>236,089</u>	<u>30,696</u>
Net change in fund balance	(3,920)	70,215	125,956	55,741
Fund balance, beginning	<u>437,219</u>	<u>437,219</u>	<u>437,219</u>	-
Fund balance, ending	<u>\$ 433,299</u>	<u>\$ 507,434</u>	<u>\$ 563,175</u>	<u>\$ 55,741</u>

TOWN OF ARNAUDVILLE, LOUISIANA
1982 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2021

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 296,200	\$ 330,000	\$ 354,811	\$ 24,811
Miscellaneous - interest and other	5,680	290	1,113	823
Total revenues	<u>301,880</u>	<u>330,290</u>	<u>355,924</u>	<u>25,634</u>
Expenditures:				
General government -				
Bank charges	-	-	142	(142)
Collection fees	4,785	4,785	3,061	1,724
Professional fees	14,775	14,775	11,790	2,985
Total general government	<u>19,560</u>	<u>19,560</u>	<u>14,993</u>	<u>4,567</u>
Streets -				
Utilities - street lighting	24,000	24,000	26,041	(2,041)
Culture and recreation -				
Park utilities	4,025	4,025	3,548	477
Capital outlay	<u>369,457</u>	<u>345,000</u>	<u>366,646</u>	<u>(21,646)</u>
Total expenditures	<u>417,042</u>	<u>392,585</u>	<u>411,228</u>	<u>(18,643)</u>
Deficiency of revenues over expenditures	(115,162)	(62,295)	(55,304)	6,991
Other financing source:				
Transfer from General Fund	<u>69,457</u>	<u>45,000</u>	<u>16,920</u>	<u>(28,080)</u>
Net change in fund balance	(45,705)	(17,295)	(38,384)	(21,089)
Fund balance, beginning	<u>618,838</u>	<u>618,838</u>	<u>618,838</u>	<u>-</u>
Fund balance, ending	<u>\$ 573,133</u>	<u>\$ 601,543</u>	<u>\$ 580,454</u>	<u>\$ (21,089)</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Schedule of Employer's Share of Net Pension Liability
For the Year Ended June 30, 2021

Year Ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Municipal Employees' Retirement System:					
2015	\$ 580,186	0.226066%	\$ 276,227	210.0%	73.99%
2016	818,381	0.318877%	364,059	224.8%	66.18%
2017	804,945	0.196390%	350,864	229.4%	62.11%
2018	647,405	0.154755%	281,051	230.4%	62.49%
2019	685,551	0.165565%	302,277	226.8%	63.94%
2020	778,058	0.186198%	344,688	225.7%	64.68%
2021	850,877	0.196807%	376,166	226.2%	64.52%
Municipal Police Employees' Retirement System:					
2015	211,200	0.033759%	102,724	205.6%	75.10%
2016	339,524	0.054271%	115,860	293.0%	70.73%
2017	582,905	0.062191%	171,548	339.8%	66.04%
2018	516,204	0.059127%	174,955	295.0%	70.08%
2019	430,472	0.050919%	150,271	286.5%	71.89%
2020	307,605	0.033871%	105,028	292.9%	71.01%
2021	259,746	0.028104%	86,708	299.6%	70.94%

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

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

TOWN OF ARNAUDVILLE, LOUISIANA

Schedule of Employer Contributions
For the Year Ended June 30, 2021

<u>Year Ended June 30,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractual Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
Municipal Employees' Retirement System:					
2015	\$ 71,902	\$ 71,902	\$ -	\$ 364,059	19.75%
2016	69,296	69,296	-	350,864	19.75%
2017	63,939	63,939	-	281,051	22.75%
2018	111,142	111,142	-	302,277	36.77%
2019	89,619	89,619	-	344,688	26.00%
2020	104,386	104,386	-	376,166	27.75%
2021	111,142	111,142	-	376,916	29.49%
Municipal Police Employees' Retirement System:					
2015	36,496	36,496	-	115,860	31.50%
2016	50,607	50,607	-	171,548	29.50%
2017	55,548	55,548	-	174,955	31.75%
2018	46,208	46,208	-	150,271	30.75%
2019	33,872	33,872	-	105,028	32.25%
2020	28,180	28,180	-	86,708	32.50%
2021	35,192	35,192	-	104,271	33.75%

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

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Required Supplementary Information
For the Year Ended June 30, 2021

(1) Budget and Budgetary Accounting

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

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

(2) Pension Plans

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

OTHER SUPPLEMENTARY INFORMATION

TOWN OF ARNAUDVILLE, LOUISIANA

Statement of Net Position
 June 30, 2021
 With Comparative Totals for June 30, 2020

	6/30/2021		2020 Totals	
	Governmental Activities	Business-Type Activities		Total
ASSETS				
Current assets:				
Cash and interest-bearing demand deposits	\$ 1,022,611	\$ 612,583	\$ 1,635,194	\$ 1,930,324
Interest-bearing time deposits	478,812	1,040,226	1,519,038	1,538,409
Receivables, net	50,394	125,776	176,170	143,639
Internal balances	154,229	(154,229)	-	-
Due from other governmental units	62,000	-	62,000	58,646
Prepaid items	11,036	13,179	24,215	20,847
Total current assets	<u>1,779,082</u>	<u>1,637,535</u>	<u>3,416,617</u>	<u>3,691,865</u>
Noncurrent assets:				
Restricted assets:				
Cash and interest-bearing demand deposits	-	177,149	177,149	191,803
Interest-bearing time deposits	-	45,124	45,124	44,647
Capital assets, net	2,270,832	4,699,303	6,970,135	6,490,984
Total noncurrent assets	<u>2,270,832</u>	<u>4,921,576</u>	<u>7,192,408</u>	<u>6,727,434</u>
Total assets	<u>4,049,914</u>	<u>6,559,111</u>	<u>10,609,025</u>	<u>10,419,299</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>192,358</u>	<u>141,796</u>	<u>334,154</u>	<u>328,044</u>
LIABILITIES				
Current liabilities:				
Accounts, salaries and other payables	32,589	236,760	269,349	134,008
Bonds payable	-	42,000	42,000	40,000
Customers' deposits payable	-	62,540	62,540	59,230
Total current liabilities	<u>32,589</u>	<u>341,300</u>	<u>373,889</u>	<u>233,238</u>
Noncurrent liabilities:				
Net pension liability	651,149	459,474	1,110,623	1,085,663
Bonds payable	-	31,000	31,000	73,000
Total noncurrent liabilities	<u>651,149</u>	<u>490,474</u>	<u>1,141,623</u>	<u>1,158,663</u>
Total liabilities	<u>683,738</u>	<u>831,774</u>	<u>1,515,512</u>	<u>1,391,901</u>
DEFERRED INFLOWS OF RESOURCES	<u>137,647</u>	<u>2,605</u>	<u>140,252</u>	<u>166,925</u>
NET POSITION				
Net investment in capital assets	2,270,832	4,469,590	6,740,422	6,417,984
Restricted for sales tax dedications	1,143,629	-	1,143,629	1,056,057
Restricted for capital projects/acquisitions	-	-	-	20,443
Restricted for debt service	-	117,733	117,733	116,777
Unrestricted	6,426	1,279,205	1,285,631	1,577,256
Total net position	<u>\$ 3,420,887</u>	<u>\$ 5,866,528</u>	<u>\$ 9,287,415</u>	<u>\$ 9,188,517</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Balance Sheet
 General and Special Revenue Funds
 June 30, 2021
 With Comparative Amounts for June 30, 2020

	General		1969 Sales Tax Special Revenue		1982 Sales Tax Special Revenue	
	2021	2020	2021	2020	2021	2020
ASSETS						
Cash and interest-bearing demand deposits	\$ 270,870	\$ 508,860	\$ 304,055	\$ 171,441	\$ 433,953	\$ 483,726
Interest-bearing time deposits	-	-	233,981	231,610	121,847	120,436
Receivables:						
Other	49,706	18,204	-	-	-	-
Interest	-	-	337	976	319	841
Due from other governmental units	-	-	31,000	29,323	31,000	29,323
Due from other funds	199,396	160,984	26,971	18,668	4,886	-
Prepaid items	11,036	9,500	-	-	-	-
Total assets	<u>\$ 531,008</u>	<u>\$ 697,548</u>	<u>\$ 596,344</u>	<u>\$ 452,018</u>	<u>\$ 592,005</u>	<u>\$ 634,326</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 9,968	\$ 43,865	\$ 4,145	\$ 6,665	\$ 375	\$ 2,733
Contracts payable	-	3,805	-	-	-	-
Retainage payable	-	18,857	-	-	-	-
Due to other funds	78,646	30,108	29,024	8,134	11,175	12,755
Total liabilities	<u>88,614</u>	<u>96,635</u>	<u>33,169</u>	<u>14,799</u>	<u>11,550</u>	<u>15,488</u>
Fund balances -						
Nonspendable (prepaid items)	11,036	9,500	-	-	-	-
Restricted:						
Sales tax dedications	-	-	563,175	437,219	580,455	618,838
Unassigned	431,358	591,413	-	-	-	-
Total fund balances	<u>442,394</u>	<u>600,913</u>	<u>563,175</u>	<u>437,219</u>	<u>580,455</u>	<u>618,838</u>
Total liabilities and fund balances	<u>\$ 531,008</u>	<u>\$ 697,548</u>	<u>\$ 596,344</u>	<u>\$ 452,018</u>	<u>\$ 592,005</u>	<u>\$ 634,326</u>

TOWN OF ARNAUDVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2021
With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			Variance with Final Budget Positive (Negative)	2020 Actual
	Budget		Actual		
	Original	Final			
Taxes:					
Ad valorem	\$ 40,510	\$ 42,610	\$ 43,526	\$ 916	\$ 41,326
Payment in lieu of taxes	5,435	-	-	-	5,443
Franchise - electric, TV, etc.	60,905	74,585	61,581	(13,004)	67,457
Total taxes	<u>106,850</u>	<u>117,195</u>	<u>105,107</u>	<u>(12,088)</u>	<u>114,226</u>
Occupational licenses	<u>75,535</u>	<u>65,535</u>	<u>108,588</u>	<u>43,053</u>	<u>102,218</u>
Intergovernmental:					
State of Louisiana -					
Highway maintenance revenue	3,590	3,590	5,385	1,795	3,590
Beer taxes	4,380	4,380	6,257	1,877	4,841
Poker machines	28,910	24,775	30,387	5,612	27,958
Other	15,000	-	-	-	15,287
Total intergovernmental	<u>51,880</u>	<u>32,745</u>	<u>42,029</u>	<u>9,284</u>	<u>51,676</u>
Fines and forfeits	<u>11,100</u>	<u>16,210</u>	<u>22,098</u>	<u>5,888</u>	<u>13,550</u>
Miscellaneous:					
Rent income	17,117	17,765	12,550	(5,215)	38,879
Recreation department income	-	-	13,268	13,268	7,817
Donations	-	-	5,000	5,000	-
Miscellaneous	320	320	1,339	1,019	703
Total miscellaneous	<u>17,437</u>	<u>18,085</u>	<u>32,157</u>	<u>14,072</u>	<u>47,399</u>
Total revenues	<u>\$262,802</u>	<u>\$249,770</u>	<u>\$309,979</u>	<u>\$60,209</u>	<u>\$329,069</u>

TOWN OF ARNAUDVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2021
With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021				2020 Actual
	Actual		Actual	Variance with Final Budget Positive (Negative)	
	Original	Final			
Current:					
General government -					
Council salaries	\$ 21,000	\$ 21,000	\$ 21,000	\$ -	\$ 21,000
Mayor's compensation	15,455	15,455	15,455	-	15,455
Clerk and other salaries	67,995	70,545	69,346	1,199	67,274
Payroll taxes and retirement	22,960	22,970	22,763	207	21,611
Worker's compensation insurance	695	695	769	(74)	363
Insurance	43,745	43,745	32,816	10,929	39,088
Utilities	14,800	14,800	13,869	931	10,549
Telephone	11,080	11,130	11,581	(451)	9,157
Professional fees	48,015	48,015	37,431	10,584	53,848
Computer related fees and software	600	1,120	2,289	(1,169)	2,360
Office supplies	6,650	5,450	4,580	870	5,760
Meetings and conventions	3,000	2,750	2,886	(136)	2,905
Travel	4,100	2,100	745	1,355	2,295
Dues	2,600	2,865	2,900	(35)	1,667
Tax roll and assessor's fee	3,225	3,225	3,156	69	3,224
Coffee and cokes	760	925	953	(28)	752
Coroner/medical	1,365	3,200	2,900	300	2,250
Repairs and maintenance	13,390	11,000	11,282	(282)	15,100
Miscellaneous	18,325	8,030	7,998	32	12,979
Postage	150	750	658	92	126
Total general government	<u>299,910</u>	<u>289,770</u>	<u>265,377</u>	<u>24,393</u>	<u>287,763</u>
Public safety - police -					
Salaries	114,480	123,000	116,935	6,065	103,758
Payroll taxes and retirement	34,295	36,750	32,091	4,659	25,111
Worker's compensation insurance	1,145	850	621	229	388
Insurance	1,020	1,020	2,200	(1,180)	2,146
Supplies	6,000	5,000	3,092	1,908	3,835
Prisoners meals and medical	800	800	198	602	362
Uniforms	2,500	2,500	1,761	739	2,287
Auto expenditures	28,500	34,500	33,196	1,304	28,013
Telephone	9,705	10,055	10,582	(527)	9,747
Repairs and maintenance	4,730	4,730	3,179	1,551	8,317
Miscellaneous	17,150	14,350	9,454	4,896	6,992
Training	3,000	1,000	318	682	3,335
Total public safety - police	<u>223,325</u>	<u>234,555</u>	<u>213,627</u>	<u>20,928</u>	<u>194,291</u>

(continued)

TOWN OF ARNAUDVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)
For the Year Ended June 30, 2021
With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			Variance with Final Budget Positive (Negative)	2020 Actual
	Budget		Actual		
	Original	Final			
Streets -					
Supplies	10,000	6,800	5,756	1,044	7,807
Equipment and street maintenance	5,530	8,530	8,163	367	28,899
Miscellaneous	-	-	1,224	(1,224)	4
Total streets	<u>15,530</u>	<u>15,330</u>	<u>15,143</u>	<u>187</u>	<u>36,710</u>
Parks and recreation -					
Coach's salary	14,400	14,400	13,886	514	14,314
Payroll taxes	1,105	1,105	1,102	3	1,102
Worker's compensation insurance	875	875	724	151	487
Repairs and maintenance	2,250	5,500	4,773	727	3,744
Uniforms and supplies	11,000	14,000	7,944	6,056	4,885
Insurance	-	-	(35)	35	225
Utilities	-	-	-	-	1,005
Miscellaneous	5,050	5,050	3,763	1,287	3,082
Total parks and recreation	<u>34,680</u>	<u>40,930</u>	<u>32,157</u>	<u>8,773</u>	<u>28,844</u>
Capital outlay:					
General government -					
Equipment	-	4,472	4,529	(57)	5,110
Building improvements	22,328	22,328	-	22,328	22,328
Police -					
Equipment	3,000	4,705	7,745	(3,040)	-
Streets -					
Drainage improvements	20,000	-	-	-	225,850
Parks and recreation -					
Equipment	-	-	-	-	1,939
Park improvements	15,000	13,000	13,000	-	15,298
Total capital outlay	<u>60,328</u>	<u>44,505</u>	<u>25,274</u>	<u>19,231</u>	<u>270,525</u>
Total expenditures	<u>\$ 633,773</u>	<u>\$ 625,090</u>	<u>\$ 551,578</u>	<u>\$ 73,512</u>	<u>\$ 818,133</u>

TOWN OF ARNAUDVILLE, LOUISIANA
1969 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2021
With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			Variance with Final Budget Positive (Negative)	2020 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Taxes	\$296,200	\$330,000	\$354,811	\$ 24,811	\$ 318,049
On-behalf payments	12,000	7,000	5,500	(1,500)	6,584
Miscellaneous - interest and other	-	-	1,734	1,734	2,620
Total revenues	<u>308,200</u>	<u>337,000</u>	<u>362,045</u>	<u>25,045</u>	<u>327,253</u>
Expenditures:					
General government -					
Bank charges	150	-	5	(5)	-
Collection fees	4,785	4,785	3,061	1,724	2,955
Professional fees	20,930	20,930	16,305	4,625	14,763
Total general government	<u>25,865</u>	<u>25,715</u>	<u>19,371</u>	<u>6,344</u>	<u>17,718</u>
Public safety -					
Police					
Salaries	188,980	167,000	150,325	16,675	150,859
Supplemental pay	12,000	7,000	5,500	1,500	6,584
Worker's compensation	15,120	13,750	10,616	3,134	7,806
Payroll taxes and retirement	62,655	45,600	39,000	6,600	35,568
Contract labor	7,500	7,720	11,277	(3,557)	7,200
Total public safety	<u>286,255</u>	<u>241,070</u>	<u>216,718</u>	<u>24,352</u>	<u>208,017</u>
Total expenditures	<u>312,120</u>	<u>266,785</u>	<u>236,089</u>	<u>30,696</u>	<u>225,735</u>
Net change in fund balance	<u>(3,920)</u>	<u>70,215</u>	<u>125,956</u>	<u>55,741</u>	<u>101,518</u>
Fund balance, beginning	<u>437,219</u>	<u>437,219</u>	<u>437,219</u>	<u>-</u>	<u>335,701</u>
Fund balance, ending	<u>\$433,299</u>	<u>\$507,434</u>	<u>\$563,175</u>	<u>\$ 55,741</u>	<u>\$ 437,219</u>

TOWN OF ARNAUDVILLE, LOUISIANA
1982 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2021
With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021		Actual	Variance with Final Budget Positive (Negative)	2020 Actual
	Budget				
	Original	Final			
Revenues:					
Taxes	\$ 296,200	\$ 330,000	\$ 354,811	\$ 24,811	\$ 318,049
Miscellaneous - interest and other	5,680	290	1,113	823	5,746
Total revenues	<u>301,880</u>	<u>330,290</u>	<u>355,924</u>	<u>25,634</u>	<u>323,795</u>
Expenditures:					
General government -					
Bank charges	-	-	142	(142)	-
Collection fees	4,785	4,785	3,061	1,724	2,955
Professional fees	14,775	14,775	11,790	2,985	14,225
Total general government	<u>19,560</u>	<u>19,560</u>	<u>14,993</u>	<u>4,567</u>	<u>17,180</u>
Streets	24,000	24,000	26,041	(2,041)	26,162
Culture and recreation	4,025	4,025	3,548	477	4,934
Capital outlay	<u>369,457</u>	<u>345,000</u>	<u>366,646</u>	<u>(21,646)</u>	<u>-</u>
Total expenditures	<u>417,042</u>	<u>392,585</u>	<u>411,228</u>	<u>(18,643)</u>	<u>48,276</u>
Excess (deficiency) of revenues over expenditures	(115,162)	(62,295)	(55,304)	6,991	275,519
Other financing sources (uses):					
Transfers from (to) General Fund	<u>69,457</u>	<u>45,000</u>	<u>16,920</u>	<u>(28,080)</u>	<u>(200,000)</u>
Net change in fund balance	(45,705)	(17,295)	(38,384)	(21,089)	75,519
Fund balance, beginning	<u>618,838</u>	<u>618,838</u>	<u>618,838</u>	<u>-</u>	<u>543,319</u>
Fund balance, ending	<u>\$ 573,133</u>	<u>\$ 601,543</u>	<u>\$ 580,454</u>	<u>\$ (21,089)</u>	<u>\$ 618,838</u>

TOWN OF ARNAUDVILLE, LOUISIANA
Street Improvement Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2021
With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			Variance with Final Budget Positive (Negative)	2020 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Miscellaneous - interest and other	\$ 100	\$ 100	\$ 95	\$ (5)	\$ 116
Expenditures	-	-	-	-	-
Excess of revenues over expenditures	100	100	95	(5)	116
Other financing uses:					
Transfers out	(25,000)	(25,000)	(25,000)	-	-
Net change in fund balance	(24,900)	(24,900)	(24,905)	(5)	116
Fund balance, beginning	38,636	38,636	38,636	-	38,520
Fund balance, ending	<u>\$ 13,736</u>	<u>\$ 13,736</u>	<u>\$ 13,731</u>	<u>\$ (5)</u>	<u>\$38,636</u>

TOWN OF ARNAUDVILLE, LOUISIANA
2% Set Aside Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2021
With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			Variance with Final Budget Positive (Negative)	2020 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Miscellaneous - interest and other	\$ 90	\$ 90	\$ 1,245	\$ 1,155	\$ 1,790
Expenditures					
Capital outlay	<u>99,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(99,410)</u>	<u>90</u>	<u>1,245</u>	<u>1,155</u>	<u>1,790</u>
Other financing sources (uses):					
Transfers in	37,978	38,055	39,251	1,196	38,305
Transfers out	<u>(75,000)</u>	<u>(75,000)</u>	<u>(75,000)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(37,022)</u>	<u>(36,945)</u>	<u>(35,749)</u>	<u>1,196</u>	<u>38,305</u>
Net change in fund balance	(136,432)	(36,855)	(34,504)	2,351	40,095
Fund balance, beginning	<u>199,341</u>	<u>199,341</u>	<u>199,341</u>	<u>-</u>	<u>159,246</u>
Fund balance, ending	<u>\$ 62,909</u>	<u>\$ 162,486</u>	<u>\$ 164,837</u>	<u>\$ 2,351</u>	<u>\$ 199,341</u>

TOWN OF ARNAUDVILLE, LOUISIANA
LCDBG Grant Projects Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2021
With Comparative Actual Amounts for the Year Ended June 30, 2020

	2021			Variance with Final Budget Positive (Negative)	2020
	Budget		Actual		
	Original	Final			
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures	-	-	-	-	-
Net change in fund balance	-	-	-	-	-
Fund balance, beginning	<u>2</u>	<u>2</u>	<u>2</u>	-	<u>2</u>
Fund balance, ending	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 2</u>

TOWN OF ARNAUDVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Departmental Statement of Revenues and Expenses
Years Ended June 30, 2021 and 2020

	Totals		Gas	
	2021	2020	2021	2020
Operating revenues:				
Charges for services -				
Billings to customers	\$ 944,281	\$ 859,586	\$ 337,969	\$ 282,229
Delinquent charges	16,902	16,360	4,087	5,556
Other fees	22,095	36,511	21,856	26,429
Total operating revenues	<u>983,278</u>	<u>912,457</u>	<u>363,912</u>	<u>314,214</u>
Operating expenses:				
Salaries	237,190	240,535	65,181	62,056
Payroll taxes and retirement	65,561	64,563	15,246	14,590
Retirement - GASB 68	27,909	34,679	5,582	6,998
Gas purchases	64,615	50,926	64,615	50,926
Supplies, repairs and maintenance	246,540	238,061	50,875	53,670
Professional fees	31,860	41,792	3,389	3,833
Bad debts	574	2,119	191	706
Telephone	7,208	6,459	3,123	2,717
Depreciation	277,906	266,757	14,903	19,212
Insurance	52,286	54,938	4,609	21,513
Utilities	32,431	29,650	2,082	1,928
Fire department expense	3,072	3,072	-	-
Office supplies	11,073	10,339	-	-
Miscellaneous	26,657	18,836	9,260	6,111
Allocation of administrative expense	-	-	66,932	60,940
Total operating expenses	<u>1,084,882</u>	<u>1,062,726</u>	<u>305,988</u>	<u>305,200</u>
Operating income (loss)	<u>(101,604)</u>	<u>(150,269)</u>	<u>\$ 57,924</u>	<u>\$ 9,014</u>
Nonoperating revenues (expenses):				
Non-employer pension contribution	7,210	6,691		
Interest income	9,000	13,884		
Ad valorem taxes/Housing Authority in lieu of taxes	50,335	54,206		
Interest expense	(4,030)	(5,214)		
Total nonoperating revenues (expenses)	<u>62,515</u>	<u>69,567</u>		
Loss before contributions and transfers	<u>(39,089)</u>	<u>(80,702)</u>		
Capital contributions	-	53,239		
Transfers:				
Transfer to General Fund	-	(291,010)		
Transfer to 2% Set Aside Fund	(39,251)	(38,305)		
Total transfers	<u>(39,251)</u>	<u>(329,315)</u>		
Change in net position	<u>(78,340)</u>	<u>(356,778)</u>		
Net position, beginning	<u>5,944,868</u>	<u>6,301,646</u>		
Net position, ending	<u>\$ 5,866,528</u>	<u>\$ 5,944,868</u>		

Water		Sewer		Sanitation		Administration	
2021	2020	2021	2020	2021	2020	2021	2020
\$ 407,334	\$ 380,879	\$ 197,758	\$ 196,065	\$ 1,220	\$ 413	\$ -	\$ -
9,115	7,701	3,687	3,103	13	-	-	-
239	9,932	-	150	-	-	-	-
<u>416,688</u>	<u>398,512</u>	<u>201,445</u>	<u>199,318</u>	<u>1,233</u>	<u>413</u>	<u>-</u>	<u>-</u>
72,763	77,981	40,389	37,813	-	-	58,857	62,685
21,936	21,380	10,765	10,233	-	-	17,614	18,360
9,489	11,795	4,465	5,673	-	-	8,373	10,213
-	-	-	-	-	-	-	-
149,927	106,568	45,712	77,823	-	-	26	-
3,389	5,023	3,389	3,833	-	-	21,693	29,103
253	933	130	480	-	-	-	-
-	-	-	-	-	-	4,085	3,742
126,099	114,502	114,835	114,501	-	-	22,069	18,542
13,108	12,879	8,347	7,579	-	-	26,222	12,967
15,148	12,224	6,010	5,697	-	-	9,191	9,801
3,072	3,072	-	-	-	-	-	-
-	-	-	-	-	-	11,073	10,339
3,235	3,040	-	-	12,518	8,472	1,644	1,213
76,638	77,289	37,050	38,656	227	80	(180,847)	(176,965)
<u>495,057</u>	<u>446,686</u>	<u>271,092</u>	<u>302,288</u>	<u>12,745</u>	<u>8,552</u>	<u>-</u>	<u>-</u>
<u>\$ (78,369)</u>	<u>\$ (48,174)</u>	<u>\$ (69,647)</u>	<u>\$ (102,970)</u>	<u>\$ (11,512)</u>	<u>\$ (8,139)</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF ARNAUDVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
(Unaudited)
June 30, 2021 and 2020

Records maintained by the Town indicated the following number of customers were being serviced during the months of June 30, 2021 and 2020:

<u>Department</u>	<u>2021</u>	<u>2020</u>
Gas (metered)	622	613
Water (metered)	1,259	1,246
Sewer	575	572
Sanitation	26	26

TOWN OF ARNAUDVILLE, LOUISIANA

Schedule of Insurance in Force
(Unaudited)
June 30, 2021

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

TOWN OF ARNAUDVILLE
Justice System Funding Schedule - Collecting/Disbursing Entity
Year Ended June 30, 2021

	First Six Month Period Ended <u>12/31/2020</u>	Second Six Month Period Ended <u>6/30/2021</u>
Beginning Balance of Amounts Collected	\$ 71	\$ 187
Add: Collections -		
Civil Fees	-	-
Bond Fees	-	-
Asset Forfeiture/Sale	-	-
Pre-Trial Diversion Program Fees	-	-
Criminal Court Costs/Fees	669	994
Criminal Fines - Contempt	-	-
Criminal Fines - Other	8,907	13,335
Restitution	-	-
Probation/Parole/Supervision Fees	-	-
Service/Collection Fees	-	-
Interest Earnings on Collected Balances	-	-
Other	-	-
Subtotal Collections	<u>9,576</u>	<u>14,329</u>
Less: Disbursements to Governments and Nonprofits -		
Acadiana Criminalistics Lab - Criminal Fines	60	40
Louisiana Commission on Law Enforcement - Criminal Fines	360	435
Louisiana State Treasurer CMIS - Criminal Fines	55	103
Louisiana Supreme Court - Criminal Fines	34	51
LA Dept of Health & Hospitals THI/SCI - Criminal Fines	160	365
Less: Amounts Retained by Collecting Agency		
Amounts "Self-Disbursed" to Collecting Agency - Criminal Fines Other	8,791	13,522
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies -		
Bond Fee Refunds	-	-
Subtotal Disbursements/Retainage	<u>9,460</u>	<u>14,516</u>
Ending Balance of Amounts Collected but not Disbursed/Retained	<u>\$ 187</u>	<u>\$ -</u>

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

KOLDER, SLAVEN & COMPANY, LLC

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Arnaudville, Louisiana (Town), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated September 23, 2021.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as items 2021-001 and 2021-002(IC) that we consider to be material weaknesses.

Compliance and Other Matters

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

Town of Arnaudville, Louisiana's Response to Findings

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

Purpose of this Report

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
September 23, 2021

TOWN OF ARNAUDVILLE, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 2021

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

A. Internal Control Over Financial Reporting

2021-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

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

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

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

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

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

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

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

TOWN OF ARNAUDVILLE, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 2021

**2021-002 Inadequate Controls Over Collection and Accounting for Utility
Accounts Receivable**

Fiscal year finding initially occurred: 2021

Condition: The Town of Arnaudville did not have adequate control policies and procedures over collection and accounting for utility customer accounts receivable.

Criteria: The Town should have control policies and procedures regarding cash collection and accounting for utility customer accounts receivable.

Cause: Due to inadequate control policies and procedures, cash collections for utility customer accounts receivable were not being deposited and the customer accounts receivable was not being properly reconciled.

Effect: Utility customer accounts receivable were not properly applied to individual customer accounts, voided transactions were not approved, and the Town's utility customer accounts receivable listing did not reconcile to the general ledger.

Recommendation: The Town should implement internal control policies and procedures relative to cash collection and accounting for utility customer accounts receivable. The Town should monitor the internal controls to ensure they are functioning properly.

Management's Corrective Action Plan: Management will implement necessary internal control policies and procedures in order to ascertain that cash collections of utility customer accounts receivable are properly deposited, recorded, reconciled, and reviewed on a regular basis.

TOWN OF ARNAUDVILLE, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended June 30, 2021

Part II: Prior Year Findings

A. Internal Control Over Financial Reporting

2020-001 Inadequate Segregation of Functions

Fiscal year finding initially occurred: Unknown

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

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

Current Status: Unresolved. See item 2021-001