

**TOWN OF MADISONVILLE,
LOUISIANA**

Annual Financial Statements

June 30, 2021



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Independent Auditor's Report

To the Honorable Jean Pelloat, Mayor
and Members of the Board of Aldermen
Town of Madisonville, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Madisonville, Louisiana (the 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 from material misstatement.

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

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

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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 Madisonville, 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 management's discussion and analysis on pages 5 - 9, the budgetary comparison information presented as Schedules I and II, and the required supplementary information under GASB Statement No. 68 presented as Schedules III and IV, 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 (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The schedule of compensation paid to members of the board of aldermen, the schedule of compensation, benefits, and other payments to agency head, and the justice system funding schedule – collecting/disbursing entity - general fund are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

This supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation paid to members of the board of aldermen, the schedule of compensation, benefits, and other payments to agency head, and the justice system funding schedule – collecting/disbursing entity - general fund are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2021, on our consideration of the Town of Madisonville, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "LaPorte".

A Professional Accounting Corporation

Covington, LA
October 25, 2021

REQUIRED SUPPLEMENTARY INFORMATION (PART I)
MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF MADISONVILLE, LOUISIANA

Management's Discussion and Analysis

As management of the Town of Madisonville, Louisiana (the Town), we offer readers this narrative overview and financial analysis of the financial activities of the Town as of June 30, 2021, and for the year then ended.

Financial Highlights

The Town's assets exceeded its liabilities by \$15,681,370 and \$13,496,791 at June 30, 2021 and 2020, respectively (*net position*). Of this amount, \$3,214,542, (*unrestricted net position*) may be used to meet the Town's ongoing obligations to its citizens and creditors. The Town's total net position increased by \$2,184,579 and \$1,363,312 for the years ended June 30, 2021 and 2020, respectively.

The Town's governmental funds reported combined ending fund balances of \$1,793,946 and \$2,224,900 at June 30, 2021 and 2020, respectively. Combined governmental fund balances decreased by \$430,954 and \$180,765 for the years ended June 30, 2021 and 2020, respectively.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's financial statements. The Town's basic financial statements consist of the following components:

1. Government-Wide Financial Statements
2. Fund Financial Statements
3. Notes to Financial Statements

Government-Wide Financial Statements

The government-wide financial statements report information about the Town as a whole, using an accounting method similar to that used by private-sector companies. The basis of accounting used is accrual accounting. The government-wide statements reflect all of the Town's assets (including capital assets) and all of the Town's liabilities. The two government-wide financial statements are as follows:

- *Statement of Net Position:* This statement presents information on all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.
- *Statement of Activities:* This statement presents information showing how the Town's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future periods.

TOWN OF MADISONVILLE, LOUISIANA

Management's Discussion and Analysis

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenue from other functions that are intended to recover all or a significant portion of their costs through user fees and charges.

- The governmental activities of the Town include General Government, Public Safety, Public Works, and Recreation.
- The business-type activities of the Town include Natural Gas, Water, Sewer, and Garbage Services.

Fund Financial Statements

A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The Town uses funds to ensure and demonstrate compliance with finance-related laws and regulations. The Town has two types of funds:

- *Governmental Funds:* These funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The Town's major governmental funds are the General Fund and the Special Revenue Fund.
- *Proprietary Funds:* These funds are used to account for activities that function in a manner similar to commercial enterprises. Proprietary fund financial statements typically provide a more detailed presentation of the information reported in the business-type activities portion of the government-wide financial statements. The Town's major proprietary funds are the Gas, Water, Sewer, and Garbage Funds.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements directly follow the proprietary fund financial statements.

TOWN OF MADISONVILLE, LOUISIANA

Management's Discussion and Analysis

Government-Wide Financial Analysis

A condensed version of the government-wide statement of net position is presented as follows:

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Current Assets	\$ 2,203,795	\$ 2,300,661	\$ 4,688,714	\$ 4,626,973	\$ 6,892,509	\$ 6,927,634
Capital Assets	6,466,392	5,163,418	6,770,508	5,933,564	13,236,900	11,096,982
Total Assets	8,670,187	7,464,079	11,459,222	10,560,537	20,129,409	18,024,616
Deferred Outflows of Resources	286,138	220,751	105,628	103,545	391,766	324,296
Liabilities						
Current and Other Liabilities	409,849	75,761	622,579	816,757	1,032,428	892,518
Long-Term Liabilities	561,958	476,582	3,183,367	3,412,145	3,745,325	3,888,727
Total Liabilities	971,807	552,343	3,805,946	4,228,902	4,777,753	4,781,245
Deferred Inflows of Resources	36,230	36,656	25,822	34,220	62,052	70,876
Net Position						
Net Investment in Capital Assets	6,466,392	5,163,418	3,985,508	2,889,564	10,451,900	8,052,982
Restricted - Sales Tax Usage	1,149,655	1,531,864	-	-	1,149,655	1,531,864
Restricted - Revenue Bonds	-	-	865,273	493,218	865,273	493,218
Unrestricted	332,241	400,549	2,882,301	3,018,178	3,214,542	3,418,727
Total Net Position	\$ 7,948,288	\$ 7,095,831	\$ 7,733,082	\$ 6,400,960	\$ 15,681,370	\$ 13,496,791

The amount of net investment in capital assets represents 67% of total net position. Net investment in capital assets consists of land, infrastructure, buildings, and equipment, less any outstanding debt used to acquire those assets. The Town has elected not to retroactively record, as capital assets, its infrastructure that existed prior to adopting Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

TOWN OF MADISONVILLE, LOUISIANA

Management's Discussion and Analysis

A condensed version of the government-wide statement of activities is presented as follows:

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues						
Charges for Services	\$ -	\$ -	\$ 4,182,265	\$ 3,673,081	\$ 4,182,265	\$ 3,673,081
Operating Grants and Contributions	50,392	74,705	11,096	11,096	61,488	85,801
Capital Grants and Contributions	195,456	-	428,276	409,491	623,732	409,491
General Revenues						
Taxes	1,674,175	1,324,746	-	-	1,674,175	1,324,746
Licenses and Permits	159,298	188,866	-	-	159,298	188,866
Fines and Forfeitures	227,985	258,404	-	-	227,985	258,404
Other Revenue	167,210	105,153	13,002	52,909	180,212	158,062
Investment Earnings	2,154	17,823	5,066	44,172	7,220	61,995
Total Revenues	2,476,670	1,969,697	4,639,705	4,190,749	7,116,375	6,160,446
Expenses						
General Government	507,101	709,164	-	-	507,101	709,164
Public Safety	642,516	595,815	-	-	642,516	595,815
Public Works	475,887	536,994	-	-	475,887	536,994
Recreation	38,661	11,731	-	-	38,661	11,731
Gas	-	-	2,475,412	2,138,363	2,475,412	2,138,363
Sewer	-	-	379,225	423,809	379,225	423,809
Water	-	-	215,128	238,331	215,128	238,331
Garbage	-	-	121,345	72,678	121,345	72,678
Interest Expense	-	-	76,521	70,249	76,521	70,249
Total Expenses	1,664,165	1,853,704	3,267,631	2,943,430	4,931,796	4,797,134
Change in Net Position Before Transfers	812,505	115,993	1,372,074	1,247,319	2,184,579	1,363,312
Transfers	39,952	450,000	(39,952)	(450,000)	-	-
Change in Net Position	852,457	565,993	1,332,122	797,319	2,184,579	1,363,312
Net Position, Beginning of Year	7,095,831	6,529,838	6,400,960	5,603,641	13,496,791	12,133,479
Net Position, End of Year	\$ 7,948,288	\$ 7,095,831	\$ 7,733,082	\$ 6,400,960	\$ 15,681,370	\$ 13,496,791

Financial Analysis of the Funds

The Town's General Fund had a decrease in fund balance of \$48,745 for the year ended June 30, 2021. The Town's Special Revenue Fund had a decrease in fund balance of \$382,209 for the year ended June 30, 2021. Total governmental fund amounts are different from governmental activities due to capital assets, depreciation of capital assets, and net pension liability.

Amounts reported for business-type activities in the Town's individual funds are identical to business-type activities reported in the government-wide presentation.

TOWN OF MADISONVILLE, LOUISIANA

Management's Discussion and Analysis

Budget Highlights

As required by law, the Town adopts a budget for its General Fund and Special Revenue Fund. The Town amended its General Fund and Special Revenue Fund budgets for the year ended June 30, 2021.

Capital Asset Administration

Capital assets, net of accumulated depreciation, increased by \$2,139,918 for the year ended June 30, 2021. This was principally due to additions of \$1,491,056 and \$1,064,591 in governmental activities and business-type activities capital assets being depreciated, respectively, which exceeded depreciation of \$188,082 and \$227,647, respectively.

Long-Term Debt

At the end of the current fiscal year, the Town had total bonded debt outstanding of \$2,840,000. The entire amount was secured by the revenues of the Gas Fund.

The Town's total long-term debt decreased by \$459,000 due to scheduled debt payments. Additional information on the Town's long-term debt can be found in the notes to the financial statements.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances. Questions concerning this report or the need for additional information should be directed to Alicia Watts, Clerk, P.O. Box 160, Madisonville, Louisiana 70447.

BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWN OF MADISONVILLE, LOUISIANA
Statement of Net Position
June 30, 2021

Statement A

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 226,030	\$ 58,155	\$ 284,185
Investments	1,699,926	3,470,942	5,170,868
Receivables, Net	277,839	239,344	517,183
Restricted Cash and Cash Equivalents	-	920,273	920,273
Capital Assets, Net	6,466,392	6,770,508	13,236,900
Total Assets	8,670,187	11,459,222	20,129,409
Deferred Outflows of Resources			
Deferred Outflows on Pension Obligation	286,138	105,628	391,766
Total Deferred Outflows of Resources	286,138	105,628	391,766
Liabilities			
Accounts Payable	409,849	133,133	542,982
Customer Deposits	-	434,446	434,446
Bonds Payable			
Due in One Year	-	55,000	55,000
Due in More than One Year	-	2,785,000	2,785,000
Net Pension Liability	561,958	398,367	960,325
Total Liabilities	971,807	3,805,946	4,777,753
Deferred Inflows of Resources			
Deferred Inflows on Pension Obligation	36,230	25,822	62,052
Total Deferred Inflows of Resources	36,230	25,822	62,052
Net Position			
Net Investment in Capital Assets	6,466,392	3,985,508	10,451,900
Restricted - Sales Tax Usage	1,149,655	-	1,149,655
Restricted - Revenue Bonds	-	865,273	865,273
Unrestricted	332,241	2,882,301	3,214,542
Total Net Position	\$ 7,948,288	\$ 7,733,082	\$ 15,681,370

The accompanying notes are an integral part of these financial statements.

TOWN OF MADISONVILLE, LOUISIANA
Statement of Activities
For the Year Ended June 30, 2021

Statement B

Functions / Programs	Expenses	Program Revenues			Net Revenue (Expense) and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government	\$ 507,101	\$ -	\$ -	\$ 134,181	\$ (372,920)	\$ -	\$ (372,920)
Public Safety	642,516	-	50,392	-	(592,124)	-	(592,124)
Public Works	475,887	-	-	-	(475,887)	-	(475,887)
Recreation	38,661	-	-	61,275	22,614	-	22,614
Total Governmental Activities	1,664,165	-	50,392	195,456	(1,418,317)	-	(1,418,317)
Business-Type Activities							
Gas	2,475,412	3,522,663	7,984	18,925	-	1,074,160	1,074,160
Sewer	379,225	308,648	1,480	54,904	-	(14,193)	(14,193)
Water	215,128	217,666	1,480	354,447	-	358,465	358,465
Garbage	121,345	133,288	152	-	-	12,095	12,095
Interest Expense	76,521	-	-	-	-	(76,521)	(76,521)
Total Business-Type Activities	3,267,631	4,182,265	11,096	428,276	-	1,354,006	1,354,006
Total	\$ 4,931,796	\$ 4,182,265	\$ 61,488	\$ 623,732	(1,418,317)	1,354,006	(64,311)
General Revenues							
Taxes							
Sales and Use Taxes					1,446,102	-	1,446,102
Property Taxes					148,967	-	148,967
Franchise Taxes					75,017	-	75,017
Other Taxes					4,089	-	4,089
Licenses and Permits					159,298	-	159,298
Fines and Forfeitures					227,985	-	227,985
Other Revenues					167,210	13,002	180,212
Interest Income					2,154	5,066	7,220
Transfers					39,952	(39,952)	-
Total General Revenues					2,270,774	(21,884)	2,248,890
Change in Net Position					852,457	1,332,122	2,184,579
Net Position, Beginning of Year					7,095,831	6,400,960	13,496,791
Net Position, End of Year					\$ 7,948,288	\$ 7,733,082	\$ 15,681,370

The accompanying notes are an integral part of these financial statements.

**BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS
GOVERNMENTAL FUNDS**

TOWN OF MADISONVILLE, LOUISIANA
Balance Sheet
Governmental Funds
June 30, 2021

Statement C

	General Fund	Special Revenue Fund	Total Governmental Funds
Assets			
Cash and Cash Equivalents	\$ 131,956	\$ 94,074	\$ 226,030
Investments	614,510	1,085,416	1,699,926
Receivables	144,524	133,315	277,839
Total Assets	<u>\$ 890,990</u>	<u>\$ 1,312,805</u>	<u>\$ 2,203,795</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$ 246,699	\$ 163,150	\$ 409,849
Total Liabilities	<u>246,699</u>	<u>163,150</u>	<u>409,849</u>
Fund Balances			
Restricted for:			
Sales Tax Usage	-	1,149,655	1,149,655
Unassigned:			
General Fund	644,291	-	644,291
Total Fund Balances	<u>644,291</u>	<u>1,149,655</u>	<u>1,793,946</u>
Total Liabilities and Fund Balances	<u>\$ 890,990</u>	<u>\$ 1,312,805</u>	<u>\$ 2,203,795</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF MADISONVILLE, LOUISIANA
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2021

Statement D

Fund Balances - Total Governmental Funds	\$ 1,793,946
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:

Governmental Capital Assets	8,363,374
Less: Accumulated Depreciation	(1,896,982)

Deferred inflows of resources - pension used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	(36,230)
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Deferred outflows of resources - pension used in governmental activities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	286,138
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Long-term liabilities, including net pension liability, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(561,958)
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Net Position of Governmental Activities	<u>\$ 7,948,288</u>
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The accompanying notes are an integral part of these financial statements.

TOWN OF MADISONVILLE, LOUISIANA
Statement of Revenues, Expenditures, and
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

Statement E

	General Fund	Special Revenue Fund	Total Governmental Funds
Revenues			
Taxes			
Sales and Use Taxes	\$ 723,051	\$ 723,051	\$ 1,446,102
Property Taxes	148,967	-	148,967
Franchise Taxes	75,017	-	75,017
Other Taxes	4,089	-	4,089
Intergovernmental Grants	50,392	195,456	245,848
Fines and Forfeitures	227,985	-	227,985
Licenses and Permits	159,298	-	159,298
Other Revenues	131,252	19,180	150,432
Interest Income	1,217	937	2,154
Total Revenues	1,521,268	938,624	2,459,892
Expenditures			
Current			
General Government	496,593	-	496,593
Public Safety	523,266	-	523,266
Public Works	-	382,733	382,733
Recreation	-	37,151	37,151
Capital Outlay	590,106	900,949	1,491,055
Total Expenditures	1,609,965	1,320,833	2,930,798
Deficiency of Revenues Over Expenditures	(88,697)	(382,209)	(470,906)
Other Financing Sources			
Transfers In	39,952	-	39,952
Net Change in Fund Balances	(48,745)	(382,209)	(430,954)
Fund Balances, Beginning of Year	693,036	1,531,864	2,224,900
Fund Balances, End of Year	\$ 644,291	\$ 1,149,655	\$ 1,793,946

The accompanying notes are an integral part of these financial statements.

TOWN OF MADISONVILLE, 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

Statement F

Change in Fund Balances - Total Governmental Funds	\$ (430,954)
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Amounts reported for governmental activities in the statement
of activities are different because:

Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives through depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.	1,302,974
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Governmental funds report retirement contributions as expenditures, but pension expense on the statement of activities includes the change in net pension liability as well as the change in deferred inflows and outflows related to pensions.	<u>(19,563)</u>
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Change in Net Position of Governmental Activities	<u><u>\$ 852,457</u></u>
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The accompanying notes are an integral part of these financial statements.

**BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS
PROPRIETARY FUNDS**

TOWN OF MADISONVILLE, LOUISIANA
Statement of Net Position
Proprietary Funds
June 30, 2021

Statement G

	Gas Fund	Water Fund	Sewer Fund	Garbage Fund	Total
Assets					
Current Assets					
Cash and Cash Equivalents	\$ 842,055	\$ -	\$ -	\$ -	\$ 842,055
Investments	3,470,942	-	-	-	3,470,942
Accounts Receivable, Net	168,637	8,654	38,581	23,472	239,344
Total Current Assets	4,481,634	8,654	38,581	23,472	4,552,341
Non-Current Assets					
Restricted Cash and Cash Equivalents	920,273	-	-	-	920,273
Capital Assets, Net	4,832,546	524,640	1,413,322	-	6,770,508
Total Non-Current Assets	5,752,819	524,640	1,413,322	-	7,690,781
Total Assets	10,234,453	533,294	1,451,903	23,472	12,243,122
Deferred Outflows of Resources					
Deferred Outflows on Pension Obligation	79,484	12,115	12,115	1,914	105,628
Total Assets and Deferred Outflows of Resources	\$ 10,313,937	\$ 545,409	\$ 1,464,018	\$ 25,386	\$ 12,348,750
Liabilities					
Current Liabilities					
Accounts Payable	\$ 75,584	\$ 43,955	\$ 13,594	\$ -	\$ 133,133
Deficit in Pooled Cash	-	248,725	503,055	32,120	783,900
Total Current Liabilities	75,584	292,680	516,649	32,120	917,033
Current Liabilities Payable from Restricted Assets					
Bonds Payable	55,000	-	-	-	55,000
Non-Current Liabilities					
Customer Deposits	376,101	58,345	-	-	434,446
Bonds Payable	2,785,000	-	-	-	2,785,000
Net Pension Liability	299,764	45,692	45,692	7,219	398,367
Total Non-Current Liabilities	3,460,865	104,037	45,692	7,219	3,617,813
Total Liabilities	3,591,449	396,717	562,341	39,339	4,589,846
Deferred Inflows of Resources					
Deferred Inflows on Pension Obligation	19,430	2,962	2,962	468	25,822
Total Deferred Inflows of Resources	19,430	2,962	2,962	468	25,822
Net Position					
Net Investment in Capital Assets	2,047,546	524,640	1,413,322	-	3,985,508
Restricted - Revenue Bonds	865,273	-	-	-	865,273
Unrestricted Net Position	3,790,239	(378,910)	(514,607)	(14,421)	2,882,301
Total Net Position	6,703,058	145,730	898,715	(14,421)	7,733,082
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 10,313,937	\$ 545,409	\$ 1,464,018	\$ 25,386	\$ 12,348,750

The accompanying notes are an integral part of these financial statements.

TOWN OF MADISONVILLE, LOUISIANA
Statement of Revenues, Expenses, and
Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2021

Statement H

	Gas Fund	Water Fund	Sewer Fund	Garbage Fund	Total
Operating Revenues					
Charges for Services					
Gas Sales	\$ 3,522,663	\$ -	\$ -	\$ -	\$ 3,522,663
Sewer Service Charges	-	-	308,648	-	308,648
Water Sales	-	217,666	-	-	217,666
Garbage Collection Fees	-	-	-	133,288	133,288
Total Operating Revenues	3,522,663	217,666	308,648	133,288	4,182,265
Operating Expenses					
Gas Purchased	1,161,006	-	-	-	1,161,006
Repairs and Maintenance	510,457	63,144	78,243	-	651,844
Salaries and Related Benefits	389,698	49,541	57,305	11,334	507,878
Administrative and General	154,763	8,881	164,330	-	327,974
Depreciation	167,459	3,875	56,313	-	227,647
Garbage Collection	-	-	-	110,011	110,011
Insurance	51,718	9,322	-	-	61,040
Water Purchases	-	52,661	-	-	52,661
Utilities	18,746	9,230	23,034	-	51,010
Auto and Truck	21,565	151	-	-	21,716
Water Meters	-	18,323	-	-	18,323
Total Operating Expenses	2,475,412	215,128	379,225	121,345	3,191,110
Operating Income (Loss)	1,047,251	2,538	(70,577)	11,943	991,155
Nonoperating Revenues (Expenses)					
Grant Income and Other Contributions	39,911	355,927	56,384	152	452,374
Interest Income	5,066	-	-	-	5,066
Interest Expense	(76,521)	-	-	-	(76,521)
Total Nonoperating Revenues (Expenses)	(31,544)	355,927	56,384	152	380,919
Income (Loss) Before Transfers	1,015,707	358,465	(14,193)	12,095	1,372,074
Transfers					
Transfers Out	-	(39,952)	-	-	(39,952)
Change in Net Position	1,015,707	318,513	(14,193)	12,095	1,332,122
Net Position, Beginning of Year	5,687,351	(172,783)	912,908	(26,516)	6,400,960
Net Position, End of Year	\$ 6,703,058	\$ 145,730	\$ 898,715	\$ (14,421)	7,733,082

The accompanying notes are an integral part of these financial statements.

TOWN OF MADISONVILLE, LOUISIANA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021

Statement I

	Gas Fund	Water Fund	Sewer Fund	Garbage Fund	Total
Cash Flows from Operating Activities					
Receipts from Customers and Users	\$ 4,499,999	\$ 221,370	\$ 307,429	\$ 132,439	\$ 5,161,237
Payments to Suppliers	(1,917,257)	(117,880)	(255,285)	(110,011)	(2,400,433)
Payments to Employees	(365,020)	(52,845)	(80,609)	(9,663)	(488,137)
Net Cash Provided by (Used in) Operating Activities	2,217,722	50,645	(8,465)	12,765	2,272,667
Cash Flows from Non-Capital Financing Activities					
Grant Income and Other Contributions	39,911	355,927	-	152	395,990
Interfund Borrowings and Transfers from Other Funds	-	36,864	31,585	(12,917)	55,532
Net Cash Provided by (Used in) Non-Capital Financing Activities	39,911	392,791	31,585	(12,765)	451,522
Cash Flows from Capital and Related Financing Activities					
Purchase of Capital Assets	(541,651)	(443,436)	(79,504)	-	(1,064,591)
Proceeds from Capital Grants	-	-	56,384	-	56,384
Interest Paid on Capital Debt	(76,521)	-	-	-	(76,521)
Principal Paid on Capital Debt	(459,000)	-	-	-	(459,000)
Net Cash Used in Capital and Related Financing Activities	(1,077,172)	(443,436)	(23,120)	-	(1,543,728)
Cash Flows from Investing Activities					
Purchase of Investments	(768,281)	-	-	-	(768,281)
Interest Received	5,066	-	-	-	5,066
Net Cash Used in Investing Activities	(763,215)	-	-	-	(763,215)
Net Increase in Cash and Cash Equivalents	417,246	-	-	-	417,246
Cash and Cash Equivalents, Beginning of Year	1,345,082	-	-	-	1,345,082
Cash and Cash Equivalents, End of Year	\$ 1,762,328	\$ -	\$ -	\$ -	\$ 1,762,328

The accompanying notes are an integral part of these financial statements.

TOWN OF MADISONVILLE, LOUISIANA
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2021

Statement I

	Gas Fund	Water Fund	Sewer Fund	Garbage Fund	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities					
Operating Income (Loss)	\$ 1,047,251	\$ 2,538	\$ (70,577)	\$ 11,943	\$ 991,155
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities					
Depreciation	167,459	3,875	56,313	-	227,647
(Increase) Decrease in:					
Accounts Receivable	(23,044)	1,329	(1,219)	(849)	(23,783)
Other Receivables	960,533	-	-	-	960,533
Increase (Decrease) in:					
Accounts Payable	998	43,832	10,322	-	55,152
Customer Deposits	39,847	2,375	-	-	42,222
Net Pension Liability	24,678	(3,304)	(3,304)	1,671	19,741
Net Cash Provided by (Used in) Operating Activities	\$ 2,217,722	\$ 50,645	\$ (8,465)	\$ 12,765	\$ 2,272,667
Cash and Cash Equivalents	\$ 842,055	\$ -	\$ -	\$ -	\$ 842,055
Restricted Cash and Cash Equivalents	920,273	-	-	-	920,273
Total Cash and Cash Equivalents	\$ 1,762,328	\$ -	\$ -	\$ -	\$ 1,762,328

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

TOWN OF MADISONVILLE, LOUISIANA

Notes to Financial Statements

Introduction

The Town of Madisonville, Louisiana (the Town), was incorporated in 1817, under the provisions of a special charter. The Town operates under a Mayor-Board of Aldermen form of government and provides the following services: public safety, highways and streets, sanitation and utilities, recreation, public improvements, and general administrative services.

The accounting and reporting policies of the Town conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute (R.S.) 21:513 and to the guides set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units*.

Note 1. Summary of Significant Accounting Policies

Reporting Entity

The Town's basic financial statements include the accounts of all town operations. The criteria for including organizations as component units within the Town's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- The organization is legally separate (can sue and be sued in its own name)
- The Town holds the corporate powers of the organization
- The Town appoints a voting majority of the organization's board
- The Town is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the Town
- There is fiscal dependency by the organization on the Town

Based on the aforementioned criteria, the Town has no component units.

TOWN OF MADISONVILLE, LOUISIANA

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support.

In the government-wide statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts: net investment in capital assets, restricted net position, and unrestricted net position.

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

Fund Financial Statements

The financial transactions of the Town are reported in individual funds in the fund financial statements. Separate fund financial statements are provided for the Town's governmental funds and proprietary funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

The focus of governmental funds' measurement (in the fund financial statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The Town reports these major governmental funds:

General Fund - The General Fund is the general operating fund of the Town. This fund is used to account for all financial transactions and resources, except those that are required to be accounted for in another fund. Revenues are derived primarily from property and other local taxes, fines and forfeitures, state and federal distributions, licenses, permits, charges for services, and interest income.

TOWN OF MADISONVILLE, LOUISIANA

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Financial Statements (Continued)

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of a 1% sales tax dedicated to constructing, improving, maintaining, and operating recreational facilities; constructing and maintaining streets, sidewalks, and bridges; operating a garbage disposal center; and purchasing equipment.

The focus of proprietary funds' measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The Town has four proprietary funds to account for the natural gas, water, sewer, and garbage collection services it provides to the residents and businesses of the Town.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Both governmental and business-type activities in the government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes, fines and forfeitures, licenses and permits, and other general revenues.

TOWN OF MADISONVILLE, LOUISIANA

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating revenues for the Town's proprietary funds consist of charges to customers and users of its natural gas, water, sewer, and garbage collection services. Operating expenses for the Town's proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.

Budgets and Budgetary Accounting

At the beginning of each fiscal year, an annual budget is prepared on a basis consistent with generally accepted accounting principles for all major governmental funds. At the end of the fiscal year, unexpended appropriations of these funds automatically lapse.

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

- a) The Mayor, Board of Aldermen, Municipal Clerk, and other advisory personnel assemble the necessary financial information.
- b) The proposed budget is made available for public inspection.
- c) A public hearing is held for any recommendations or changes to the budget. The budget is legally adopted through passage of an ordinance by the Board of Aldermen.

The Town does not utilize encumbrance accounting. Budgets are amended as necessary throughout the year.

Cash and Cash Equivalents

Cash balances of all funds are combined to the extent possible. Interest earned on deposits is distributed to the individual funds based on the investment balances of the participating funds during the year.

For the purpose of the proprietary fund statement of cash flows, all highly liquid investments (including certificates of deposit) with a maturity of three months or less when purchased are considered cash equivalents.

TOWN OF MADISONVILLE, LOUISIANA

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents (Continued)

Cash and cash equivalents include amounts in demand deposits. Under state law, the Town may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Cash and cash equivalents consist of cash, as defined above, including restricted cash. Short-term investments are stated at amortized cost, which approximates market. Certain investments, as required by GASB Statement No. 31, as amended by GASB Statement No. 72, are reported at fair value, which is determined using published market prices.

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1st. Taxes are levied and billed in November of each year and are due and payable on or before January 1st of the following year. All unpaid taxes become delinquent on March 31st of the following year. The Town bills and collects its own property taxes. The Town recognizes property tax revenues when levied, to the extent that they are determined to be collectible.

For the year ended June 30, 2021, the Town levied taxes of 8.55 mills that were dedicated to the General Fund.

Sales Taxes

The Town imposes a two percent sales and use tax. One percent of this tax is dedicated for particular purposes and is accounted for in the Special Revenue Fund. The other one percent is unrestricted and is included in the General Fund.

Accumulated Unpaid Paid Time-Off

Full time regular employees accrue vacation and sick paid time-off (PTO) at a rate of eight hours per month, up to 96 hours per year. Eligible employees earn an additional 40 hours of PTO after one year of employment and an additional 80 hours of PTO after three years of employment. Accrued PTO may be carried over annually up to a maximum of 240 hours. Any accrued and unused PTO will be paid out upon termination of service. There was no material accumulated PTO as of June 30, 2021 for which the Town would be held liable.

Accounts Receivable

Balances between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/due from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Uncollectible amounts due for customers' utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. The allowance was \$15,000 at June 30, 2021.

TOWN OF MADISONVILLE, LOUISIANA

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated acquisition value at the date of donation. The Town maintains a threshold level of \$2,500 or more for capitalizing assets.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives is not capitalized.

Capital outlays are recorded as expenditures of the General Fund and Special Revenue Fund in the governmental fund financial statements and as assets in the government-wide financial statements, to the extent the Town's capitalization threshold is met. In accordance with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, the Town has elected not to capitalize infrastructure retroactively. Depreciation is recorded on general capital assets on a government-wide basis. Capital outlays of the proprietary funds are recorded as capital assets and depreciated over their estimated useful lives on both the fund basis and the government-wide basis.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Description	Estimated Useful Lives
Infrastructure	20 - 40 Years
Buildings and Building Improvements	20 - 40 Years
Utility Systems	30 - 40 Years
Furniture and Fixtures	7 Years
Vehicles	5 Years
Equipment	3 - 15 Years

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees' Retirement System and the Municipal Police Employees' Retirement System (the Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

TOWN OF MADISONVILLE, LOUISIANA

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Equity

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

1. *Net Investment in Capital Assets* - Consists of the historical cost of capital assets, including any restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. *Restricted* - Consists of assets that have constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
3. *Unrestricted* - All other net position is reported in this category.

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

1. *Restricted Fund Balance* - Amounts that can be spent only for specific purposes because of the Town Charter, the Town Code, state or federal laws, or externally imposed conditions by grantors, creditors, or citizens.
2. *Unassigned Fund Balance* - All amounts not included in other spendable classifications.

Interfund Transactions

Permanent re-allocation of resources between funds of the Town is classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

Use of Estimates

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

TOWN OF MADISONVILLE, LOUISIANA

Notes to Financial Statements

Note 2. Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and the Special Revenue Fund. All annual appropriations lapse at fiscal year-end. The Town was in compliance with the Local Budget Act at June 30, 2021. See Note 1 for the procedures the Town follows regarding budgets and budgetary accounting.

Deposit and Investment Laws and Regulations

In accordance with state law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par. At June 30, 2021, the Town was in compliance with the deposit and investment laws and regulations with the exception of one of its banks, due to inadequate collateralization of bank deposits in excess of FDIC coverage.

Deficit Fund Balance

As of June 30, 2021, the Garbage Fund had deficit fund balance in the amount of \$14,421. This is due to the effect of the implementation of GASB Statement Nos. 68 and 71, which required the Town to record its proportionate share of the pension plan net pension liability.

Note 3. Cash and Cash Equivalents

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be recovered. The Town's deposit policy for custodial credit risk is that all uninsured deposits be collateralized by pledged securities as required by state law.

As of June 30, 2021, \$670,273 of the Town's bank balance of \$1,267,915 was exposed to custodial credit risk. However, these deposits were secured from risk by 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. The custodial bank must advertise and sell the pledged securities within ten days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

TOWN OF MADISONVILLE, LOUISIANA

Notes to Financial Statements

Note 4. Investments

Investments of \$5,170,868, as of June 30, 2021, were invested in Louisiana Asset Management Pool, Inc. (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.126, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investment is in a pool of funds and, therefore, not evidenced by securities that exist in physical or book-entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with Louisiana Revised Statute (R.S.) 33:2955.

GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.

LAMP is an investment pool that, to the extent practical, invests in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

- *Credit Risk:* LAMP is rated AAAm by Standard & Poor's.
- *Custodial Credit Risk:* LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- *Concentration of Credit Risk:* Pooled investments are excluded from the 5 percent disclosure requirement.
- *Interest Rate Risk:* LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments was 47 as of June 30, 2021.
- *Foreign Currency Risk:* Not applicable.

TOWN OF MADISONVILLE, LOUISIANA

Notes to Financial Statements

Note 4. Investments (Continued)

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP, and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the Securities and Exchange Commission as an investment company.

If you have any questions, please feel free to contact the LAMP administrative office at 800-249-5267.

Note 5. Receivables

The net receivables at June 30, 2021 were as follows:

	General Fund	Special Revenue Fund	Proprietary Funds	Total
Taxes				
Sales and Use	\$ 133,315	\$ 133,315	\$ -	\$ 266,630
Franchise	10,877	-	-	10,877
Other	332	-	-	332
Utility Accounts				
Sales	-	-	239,344	239,344
Total	\$ 144,524	\$ 133,315	\$ 239,344	\$ 517,183

Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Total allowance for doubtful accounts amounted to \$15,000 for the business-type activities.

TOWN OF MADISONVILLE, LOUISIANA

Notes to Financial Statements

Note 6. Capital Assets

The following is a summary of the changes in capital assets for the fiscal year ended June 30, 2021:

Governmental Activities	Balance June 30, 2020	Increases	Decreases	Balance June 30, 2021
Capital Assets Not Depreciated				
Land	\$ 651,641	\$ -	\$ -	\$ 651,641
Construction in Progress	42,320	1,322,754	(238,868)	1,126,206
Total Capital Assets Not Depreciated	693,961	1,322,754	(238,868)	1,777,847
Capital Assets Being Depreciated				
Automobiles	769,267	-	(113,202)	656,065
Recreation Equipment	204,477	6,200	(24,988)	185,689
Equipment	199,205	-	(26,569)	172,636
Office Equipment and Furniture	39,532	-	(25,296)	14,236
Buildings and Improvements	950,212	-	-	950,212
Street and Sidewalk Improvements	2,197,546	-	-	2,197,546
Infrastructure	1,930,501	400,970	-	2,331,471
Other	80,742	-	(3,070)	77,672
Total Capital Assets Being Depreciated	6,371,482	407,170	(193,125)	6,585,527
Less Accumulated Depreciation for:				
Automobiles	(565,389)	(45,389)	113,202	(497,576)
Recreation Equipment	(167,328)	(1,510)	24,988	(143,850)
Equipment	(186,202)	(3,016)	26,569	(162,649)
Office Equipment and Furniture	(35,932)	(786)	25,296	(11,422)
Buildings and Improvements	(266,680)	(19,847)	-	(286,527)
Street and Sidewalk Improvements	(408,321)	(32,913)	-	(441,234)
Infrastructure	(245,335)	(75,150)	-	(320,485)
Other	(26,838)	(9,471)	3,070	(33,239)
Total Accumulated Depreciation	(1,902,025)	(188,082)	193,125	(1,896,982)
Total Capital Assets Being Depreciated, Net	4,469,457	219,088	-	4,688,545
Total	\$ 5,163,418	\$ 1,541,842	\$ (238,868)	\$ 6,466,392

TOWN OF MADISONVILLE, LOUISIANA

Notes to Financial Statements

Note 6. Capital Assets (Continued)

Business-Type Activities	Balance June 30, 2020	Increases	Decreases	Balance June 30, 2021
Capital Assets Not Depreciated				
Land	\$ 199,159	\$ -	\$ -	\$ 199,159
Construction in Progress	663,934	79,504	(663,934)	79,504
Total Capital Assets Not Depreciated	863,093	79,504	(663,934)	278,663
Capital Assets Being Depreciated				
Gas Distribution System	6,003,999	1,205,583	-	7,209,582
Water Distribution System	307,545	443,438	-	750,983
Sewer Plant and Lines	2,904,073	-	-	2,904,073
Total Capital Assets Being Depreciated	9,215,617	1,649,021	-	10,864,638
Less Accumulated Depreciation for:				
Gas Distribution System	(2,346,854)	(167,459)	-	(2,514,313)
Water Distribution System	(237,979)	(3,875)	-	(241,854)
Sewer Plant and Lines	(1,560,313)	(56,313)	-	(1,616,626)
Total Accumulated Depreciation	(4,145,146)	(227,647)	-	(4,372,793)
Total Capital Assets Being Depreciated, Net	5,070,471	1,421,374	-	6,491,845
Total	\$ 5,933,564	\$ 1,500,878	\$ (663,934)	\$ 6,770,508

Depreciation was charged to governmental functions as follows for the year ended June 30, 2021:

General Government - Town Hall	\$ 30,103
Public Safety	48,405
Public Works - Street Maintenance	52,279
Public Works - Infrastructure	55,785
Recreation	1,510
Total	\$ 188,082

The Town's active construction contracts as of June 30, 2021 are as follows:

Project	Total Contract	Remaining Commitment
Town Hall	\$ 791,900	\$ 265,267
Boat Launch Improvements	464,450	112,960

TOWN OF MADISONVILLE, LOUISIANA

Notes to Financial Statements

Note 7. Employee Pension Plans

Municipal Employees' Retirement System of Louisiana (the System)

Plan Description and Provisions

All of the Town's full-time employees other than police employees, the Mayor, and the Police Chief, participate in the System, a cost-sharing, multiple-employer defined benefit pension plan. The System was established and provided for by R.S. 11:1731. The System is composed of two distinct plans, Plan A and Plan B, with separate asset and benefit provisions. All participating employees of the Town are members of Plan B.

Eligibility

Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least thirty-five (35) hours per week.

Retirement Benefits

Employees who were hired before January 1, 2013 can retire, providing they meet one of the following criteria:

1. Any age with thirty (30) years of creditable service.
2. Age 60 with a minimum of ten (10) or more years of creditable service.
3. Any age with ten (10) years of creditable service eligible for disability benefits.
4. Survivor's benefits require five (5) years of creditable service at death of member.

Employees hired on or after January 1, 2013 can retire, providing they meet one of the following criteria:

1. Age 67 with seven (7) or more years of creditable service.
2. Age 62 with a minimum of ten (10) or more years of creditable service.
3. Age 55 with thirty (30) or more years of creditable service.
4. Any age with twenty-five (25) years of creditable service, exclusive of military service and unused sick leave. However, any member retiring under this subsection shall have their benefit actuarially reduced from the earliest age at which the member would be entitled to a vested deferred benefit under any provision of this section, if the member had continued in service to that age.

Generally, the monthly amount of the retirement allowance for any member of Plan B shall consist of an amount equal to two percent of the member's monthly average final compensation multiplied by his years of creditable service. However, under certain conditions outlined in the statutes, the benefits are limited to specified amounts.

Note 7. Employee Pension Plans (Continued)

Municipal Employees' Retirement System of Louisiana (the System) (Continued)

Survivor's Benefits

Upon death of any member of Plan B with five (5) or more years of creditable service, not eligible for normal retirement, the plan provides for benefits for the surviving spouse as outlined in the statutes.

Any member of Plan B who is eligible for normal retirement at time of death and who leaves a surviving spouse will be deemed to have retired and selected Option 2 benefits on behalf of the surviving spouse on the date of death. Such benefits will begin only upon proper application and are paid in lieu of any other survivor benefits.

Deferred Retirement Option Plan (DROP) Benefits

In lieu of terminating employment and accepting a service retirement allowance, any member of Plan B who is eligible to retire may elect to participate in the DROP for up to three years and defer the receipt of benefits.

During participation in the DROP, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP fund. Interest is earned when the member has completed DROP participation. Interest earnings are based upon the actual rate of return on the investments identified as DROP funds for the period. In addition, no cost-of-living increases are payable to participants until employment which made them eligible to become members of the System has been terminated for at least one full year.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the Board of Trustees. If a participant dies while participating in the DROP, a lump sum equal to the balance in his account shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the DROP fund cease and the person resumes active contributing membership in the System.

TOWN OF MADISONVILLE, LOUISIANA

Notes to Financial Statements

Note 7. Employee Pension Plans (Continued)

Municipal Employees' Retirement System of Louisiana (the System) (Continued)

Disability Benefits

For Plan B, a member shall be eligible to retire and receive a disability benefit if he has at least ten (10) years of creditable service, is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan B shall be paid a disability benefit equal to the lesser of an amount equal to two percent of his final compensation multiplied by his years of creditable service, but not less than thirty percent of his final compensation, or an amount equal to what the member's normal retirement benefit would be based on the member's final compensation, but assuming the member remained in continuous service until his earliest normal retirement age and using those retirement benefit computation factors which would be applicable to the member's normal retirement.

Cost-of-Living Increases

The System is authorized under state law to grant a cost-of-living increase to members who have been retired for at least one year. The adjustment cannot exceed two percent of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows the System to grant an additional cost-of-living increase to all retirees and beneficiaries who are age sixty-five (65) and above equal to two percent of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after this date.

Deferred Benefits

Both plans provide for deferred benefits for members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable. Benefits are based on statutes in effect at the time of withdrawal.

Employer Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. The employer contribution rate in effect during the fiscal year ended June 30, 2021 was 15.50% for Plan B.

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

TOWN OF MADISONVILLE, LOUISIANA

Notes to Financial Statements

Note 7. Employee Pension Plans (Continued)

Municipal Employees' Retirement System of Louisiana (the System) (Continued)

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

At June 30, 2021, the Town reported a liability of \$700,911 for its proportionate share of the net pension liability which is recorded on the financial statements as follows:

	Net Pension Liability
Governmental Activities	\$ 302,544
Business-Type Activities	
Gas Fund	299,764
Water Fund	45,692
Sewer Fund	45,692
Garbage Fund	7,219
Total	\$ 700,911

The net pension liability was measured as of June 30, 2020, and was determined by actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all municipalities, actuarially determined. At June 30, 2020, the Town's proportion was .773439%.

For the year ended June 30, 2021, the Town recognized pension expense of \$85,944. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to its pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ -	\$ 11,794
Changes of Assumptions	21,722	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	76,094	-
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	-	33,637
Employer Contributions Subsequent to the Measurement Date	88,033	-
Total	\$ 185,849	\$ 45,431

TOWN OF MADISONVILLE, LOUISIANA

Notes to Financial Statements

Note 7. Employee Pension Plans (Continued)

Municipal Employees' Retirement System of Louisiana (the System) (Continued)

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

Deferred outflows of resources in the amount of \$88,033 related to pensions resulting from the Town's contributions subsequent to the measurement date will be recognized in the year ending June 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2022	\$ 14,977
2023	8,926
2024	17,336
2025	11,146
Total	\$ 52,385

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2020 are as follows:

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions	
Investment Rate of Return	6.95%, net of investment expense, including inflation
Inflation Rate	2.5%
Projected Salary Increases	
- 1 to 4 Years	7.40% (2.50% inflation, 4.90% merit)
- More than 4 Years	4.90% (2.50% inflation, 2.40% merit)
Mortality Rates	PubG-2010(B) Employee and Healthy Retiree tables set equal to 120% for males and females using their respective male and female MP2018 scale. PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale.
Expected Remaining Service Lives	3 years

TOWN OF MADISONVILLE, LOUISIANA

Notes to Financial Statements

Note 7. Employee Pension Plans (Continued)

Municipal Employees' Retirement System of Louisiana (the System) (Continued)

Actuarial Assumptions (Continued)

Cost-of-Living Adjustments

The present value of future retirement benefits is based on benefits currently being paid into the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The mortality rate assumption used was verified by combining data from the System with three other statewide plans which have similar workforce composition in order to produce a credible experience. The aggregated data was collected over the period July 1, 2013 to June 30, 2018. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared by using a setback of standard tables. The result of the procedure indicated that these tables would produce liability values approximating the appropriate generational mortality tables used.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.6% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return was 7.0% for the year ended June 30, 2020.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Public Equity	53%	2.33%
Public Fixed Income	38%	1.67%
Alternatives	9%	0.40%
Total	100%	4.40%
Inflation		2.60%
Expected Arithmetic Nominal Return		7.00%

TOWN OF MADISONVILLE, LOUISIANA

Notes to Financial Statements

Note 7. Employee Pension Plans (Continued)

Municipal Employees' Retirement System of Louisiana (the System) (Continued)

Actuarial Assumptions (Continued)

The discount rate used to measure the total pension liability was 6.95% for the year ended June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's actuary.

Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town's Proportionate Share of the Net Position Liability to Changes in the Discount Rate

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.95%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower (5.95%) or one percentage point higher (7.95%) than the current rate:

	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
Town's Proportionate Share of the Net Pension Liability	\$ 933,043	\$ 700,911	\$ 504,495

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial statements of the Municipal Employees' Retirement System of Louisiana for the year ended June 30, 2020. Access to the report can be found on the Louisiana Legislative Auditor's website at www.la.gov.

TOWN OF MADISONVILLE, LOUISIANA

Notes to Financial Statements

Note 7. Employee Pension Plans (Continued)

Municipal Police Employees' Retirement System of Louisiana (the System)

The Municipal Police Employees' Retirement System of Louisiana is the administrator of a cost-sharing, multiple-employer plan. Membership in the System is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, provided he or she does not have to pay social security and providing he or she meets the statutory criteria. The System provides retirement benefits for municipal police officers. The projections of benefit payments in the calculation of the total pension liability include all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. Benefit provisions are authorized within Act 189 of 1973 and amended by R.S. 11:2211-11:2233.

Plan Description and Provisions

The following is a brief description of the plan and its benefits and is provided for general information purposes only:

Membership Prior to January 1, 2013: A member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age, or has 20 years of creditable service and is age 50, or has 12 years of creditable service and is age 55. A member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age with an actuarially reduced benefit. Benefit rates are three and one-third percent of average final compensation (average monthly earnings during the highest 36 consecutive months, or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from forty to sixty percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives benefits equal to ten percent of the member's average final compensation or \$200 per month, whichever is greater.

Membership Commencing January 1, 2013: Member eligibility for regular retirement, early retirement, disability, and survivor benefits is based on Hazardous Duty and Non-Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 12 years of creditable service at age 55.

TOWN OF MADISONVILLE, LOUISIANA

Notes to Financial Statements

Note 7. Employee Pension Plans (Continued)

Municipal Police Employees' Retirement System of Louisiana (the System) (Continued)

Plan Description and Provisions (Continued)

Under the Non-Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55. Under the Hazardous and Non-Hazardous Duty sub plans, the benefit rates are three percent and two and a half percent, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months, or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from twenty-five to fifty-five percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives ten percent of average final compensation or \$200 per month, whichever is greater. If a deceased member had less than 10 years of service, the beneficiary will receive a refund of employee contributions only.

Deferred Retirement Option Plan (DROP)

A member is eligible to elect to enter the DROP when he is eligible for regular retirement based on the member's sub plan participation. Upon filing the application for the program, the employee's active membership in the System is terminated. At the entry date into the DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DROP is thirty-six months or less. If employment is terminated after the three-year period, the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership into the System shall resume and, upon later termination, he shall receive additional retirement benefits based on the additional service.

For those eligible to enter the DROP prior to January 1, 2004, DROP accounts shall earn interest subsequent to the termination of DROP participation at a rate of half of one percentage point below the percentage rate of return of the System's investment portfolio as certified by the actuary on an annual basis, but will never lose money. For those eligible to enter the DROP subsequent to January 1, 2004, an irrevocable election is made to earn interest based on the System's investment portfolio return or a money market investment return. This could result in a negative earnings rate being applied to the account.

If the member elects a money market investment return, the funds are transferred to a government money market account.

TOWN OF MADISONVILLE, LOUISIANA

Notes to Financial Statements

Note 7. Employee Pension Plans (Continued)

Municipal Police Employees' Retirement System of Louisiana (the System) (Continued)

Cost-of-Living Adjustments

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

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

A cost-of-living adjustment may only be granted if funds are available from interest earnings in excess of normal requirements, as determined by the actuary.

Employer Contributions

According to state statute, contribution requirements for all employers are actuarially determined each year. The employer contribution rate in effect during the fiscal year ended June 30, 2021 was 33.75% for all members.

In accordance with state statute, the System receives insurance premium tax monies. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations.

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

At June 30, 2021, the Town reported a liability of \$259,414 for its proportionate share of the net pension liability which is recorded on the financial statements.

The net pension liability was measured as of June 30, 2020, and was determined by actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all municipalities, actuarially determined. At June 30, 2020, the Town's proportion was .028068%.

TOWN OF MADISONVILLE, LOUISIANA

Notes to Financial Statements

Note 7. Employee Pension Plans (Continued)

Municipal Police Employees' Retirement System of Louisiana (the System) (Continued)

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

For the year ended June 30, 2021, the Town recognized pension expense of \$90,389. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to its pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ -	\$ 10,218
Changes of Assumptions	6,164	6,403
Net Difference between Projected and Actual Earnings on Pension Plan Investments	31,122	-
Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions	143,255	-
Employer Contributions Subsequent to the Measurement Date	25,376	-
Total	\$ 205,917	\$ 16,621

Deferred outflows of resources in the amount of \$25,376 related to pensions resulting from the Town's contributions subsequent to the measurement date will be recognized in the year ending June 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2022	\$ 57,680
2023	64,553
2024	35,781
2025	5,906
Total	\$ 163,920

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2020 are as follows:

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal

TOWN OF MADISONVILLE, LOUISIANA

Notes to Financial Statements

Note 7. Employee Pension Plans (Continued)

Municipal Police Employees' Retirement System of Louisiana (the System) (Continued)

Actuarial Assumptions (Continued)

Actuarial Assumptions

Investment Rate of Return	6.95%, net of investment expense
Inflation Rate	2.50%
Projected Salary Increases	
- 1 to 2 Years	12.30%
- Over 2 Years	4.70%
Mortality Rates	Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP 2019 scale for employees, annuitants, and beneficiaries. Pub-2010 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP 2019 scale for disabled lives.
Expected Remaining Service Lives	4 years
Cost-of-Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid into the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

TOWN OF MADISONVILLE, LOUISIANA

Notes to Financial Statements

Note 7. Employee Pension Plans (Continued)

Municipal Police Employees' Retirement System of Louisiana (the System) (Continued)

Actuarial Assumptions (Continued)

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period of July 1, 2014 through June 30, 2019, and review of similar law enforcement mortality. A change was made to full generational mortality which combines the use of a base mortality table with appropriate mortality improvement scales. In order to set the base mortality table, actual plan mortality experience was assigned a credibility weighting and combined with a standard table to provide current levels of mortality.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Equity	48.50%	3.08%
Fixed Income	33.50%	0.54%
Alternative	18.00%	1.02%
Total	100.00%	4.64%
Inflation		2.55%
Expected Arithmetic Nominal Return		7.19%

The discount rate used to measure the total pension liability was 6.95%. The projection of cash flows used to determine the discount rate assumed the contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's actuary.

Based on these assumptions, the fiduciary net position was projected to be available to make all 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.

TOWN OF MADISONVILLE, LOUISIANA

Notes to Financial Statements

Note 7. Employee Pension Plans (Continued)

Municipal Police Employees' Retirement System of Louisiana (the System) (Continued)

Sensitivity of the Town's Proportionate Share of the Net Position Liability to Changes in the Discount Rate

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.95%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower (5.95%) or one percentage point higher (7.95%) than the current rate:

	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
Town's Proportionate Share of the Net Pension Liability	\$ 364,449	\$ 259,414	\$ 171,609

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial statements of the Municipal Police Employees' Retirement System of Louisiana for the year ended June 30, 2020. Access to the report can be found on the Louisiana Legislative Auditor's website at www.la.gov.

Note 8. Deferred Compensation Plan

Police employees of the Town are eligible to participate in the Town's deferred compensation plan. The employees must contribute a minimum of 5%, and may contribute up to 100%, of their salary (not to exceed \$18,000 a year) to the plan on a pre-tax basis. For fiscal year ended June 30, 2021, the Town contributed 12% for each employee. The contributions are fully vested immediately and are remitted to a third-party administrator each pay period, where they are deposited to an account in the employee's name. The Town does not assume any liability for the funds and does not have any control over the funds once they are remitted to the third-party administrator. During the year ended June 30, 2021, the Town's made contributions which totaled \$28,461.

TOWN OF MADISONVILLE, LOUISIANA

Notes to Financial Statements

Note 9. Lake Pontchartrain Basin Maritime Museum

On May 31, 1996, the Town entered into a management agreement with the Lake Pontchartrain Basin Maritime Museum, Inc. (the Museum), a non-profit corporation, whereby the Town allows the Museum to use a portion of land for the construction and operation of a museum. The term of the agreement is for ninety-nine years. The Town retains title of the land along with any improvements constructed by the Museum. The Town also retains any liabilities related to defects at the time of the agreement. The Museum agrees to incur all necessary expenditures related to operation of the Museum. An addendum to this agreement was signed on March 9, 2001, whereby the Town also allows the Museum usage of a portion of land for a parking lot. During the year ended June 30, 2002, the United States Coast Guard donated the Madisonville Lighthouse to the Town. On May 24, 2002, the Town entered into another agreement with the Museum, whereby the Town allows the Museum the use of the Lighthouse, and the Museum agrees to preserve and restore the Lighthouse.

Note 10. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2021, the Town carried insurance through various commercial carriers to cover all risks of loss. The Town had no settled claims resulting from these risks that exceeded its commercial coverage.

Note 11. Long-Term Liabilities

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

	Revenue Bonds
Balance at July 1, 2020	\$ 3,299,000
Proceeds	-
Retirements	(459,000)
Balance at June 30, 2021	<u>\$ 2,840,000</u>

TOWN OF MADISONVILLE, LOUISIANA

Notes to Financial Statements

Note 11. Long-Term Liabilities (Continued)

Long-term debt was composed of the following at June 30, 2021:

Revenue Bonds

\$1,080,000 Gas Utility Revenue Bonds, Series 2015, due in annual installments with semi-annual interest payments at 2.5% per annum through December 1, 2027, secured by the revenues of the Gas Fund.	\$ 880,000
\$1,000,000 Gas Utility Revenue Bonds dated June 12, 2019, due in annual installments with semi-annual interest payments at 2.79% per annum through December 1, 2029, secured by the revenues of the Gas Fund.	980,000
\$1,000,000 Gas Utility Revenue Bonds dated June 12, 2019, due in annual installments with semi-annual interest payments at 2.80% per annum through December 1, 2029, secured by the revenues of the Gas Fund.	<u>980,000</u>
Total	<u><u>\$ 2,840,000</u></u>

The future debt service requirements of the bonds are as follows:

Year Ending June 30,	Revenue Bonds	
	Principal	Interest
2022	\$ 55,000	\$ 69,637
2023	269,000	67,155
2024	280,000	60,852
2025	290,000	54,270
2026	301,000	47,438
2027 - 2030	<u>1,645,000</u>	<u>128,516</u>
Total	<u><u>\$ 2,840,000</u></u>	<u><u>\$ 427,868</u></u>

TOWN OF MADISONVILLE, LOUISIANA

Notes to Financial Statements

Note 12. Restricted Assets

Revenue Bonds

As shown in Note 11, the Town has \$2,840,000 of future debt service requirements of Gas Utility Revenue Bonds. The proceeds of these bonds were used to construct and acquire extensions, improvements, and replacements of the Town's natural gas utility system. The bond resolution of these issues requires the Town to restrict and maintain the following funds:

Revenue Bond Sinking Fund

The requirement calls for the establishment and maintenance of a Gas Utility Revenue Bond Sinking Fund sufficient to pay promptly and in full the principal and interest on bonds authorized as they become due and payable. This requirement has been met as of June 30, 2021.

Revenue Bond Reserve Fund

Each month, the Town is required to deposit ten percent of the amount to be deposited in the sinking fund until the reserve is equal to the reserve fund requirement. This fund is restricted to be used to pay bonds in case of default. This requirement has been met as of June 30, 2021.

Depreciation and Contingency Fund

The resolution called for the establishment and maintenance of a Depreciation and Contingency Fund to care for depreciation, extensions, additions, improvements, and replacements necessary to properly operate the gas system. Regular deposits equal to five percent of the amount to be deposited in the sinking fund per month are to be deposited with the regularly designated fiscal agent of the Town. This requirement has been met as of June 30, 2021.

Note 13. Excess Expenditures Over Appropriations

During the year ended June 30, 2021, there were no excess expenditures over appropriations for the governmental funds.

Note 14. Contingency

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern", and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had, and are expected to continue to have, an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Town operates. It is unknown how long these conditions will last and what the complete financial effect will be to the Town.

TOWN OF MADISONVILLE, LOUISIANA

Notes to Financial Statements

Note 15. Recently Issued Accounting Pronouncements

Adopted Accounting Pronouncements

The GASB issued Statement No. 84, *Fiduciary Activities*. The objective of GASB 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The adoption of this guidance did not have a material impact to the Town's financial statements.

New Upcoming Accounting Pronouncements

The GASB issued Statement No. 87, *Leases*. The objective of GASB 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, postponing the effective date of GASB 87 to reporting periods beginning after June 15, 2021.

The GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of GASB 89 are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, postponing the effective date of GASB 89 to reporting periods beginning after December 15, 2020.

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. The Statement is effective for fiscal years beginning after June 15, 2022.

The GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The Statement amends Questions 4.3 and 4.5 of Implementation Guide 201-2. The requirements of this Statement related to the accounting and financial reporting for Internal Revenue Code Section 457 plans are effective June 15, 2021.

REQUIRED SUPPLEMENTARY INFORMATION (PART II)

TOWN OF MADISONVILLE, LOUISIANA
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2021

Schedule I

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable/ (Unfavorable)
Revenues				
Taxes				
Sales and Use Taxes	\$ 563,617	\$ 563,617	\$ 723,051	\$ 159,434
Property Taxes	140,000	140,000	148,967	8,967
Franchise Taxes	72,000	72,000	75,017	3,017
Other Taxes	5,000	5,000	4,089	(911)
Intergovernmental Grants	52,000	52,000	50,392	(1,608)
Fines and Forfeitures	300,000	300,000	227,985	(72,015)
Licenses and Permits	155,000	155,000	159,298	4,298
Other Revenues	45,500	45,500	131,252	85,752
Interest Income	13,000	13,000	1,217	(11,783)
Total Revenues	1,346,117	1,346,117	1,521,268	175,151
Expenditures				
Current				
Salaries and Benefits - Police	564,733	564,733	444,963	119,770
Salaries and Benefits - Admin	224,166	224,166	204,753	19,413
Other Administrative Expenses	86,500	86,500	85,693	807
Other Police Expenses	126,700	126,700	78,117	48,583
Alderman and Mayor Fees	78,000	78,000	78,000	-
Legal and Professional Fees	52,000	52,000	58,106	(6,106)
Utilities and Telephone	23,000	23,000	17,719	5,281
Property Insurance	12,000	12,000	17,654	(5,654)
Repairs and Maintenance	81,000	81,000	10,982	70,018
Accounting and Auditing	11,000	11,000	10,099	901
Payroll Services	10,000	10,000	7,241	2,759
Advertising	7,000	7,000	3,437	3,563
Ad Valorem Collection Fees	3,500	3,500	3,095	405
Capital Outlay	-	590,106	590,106	-
Total Expenditures	1,279,599	1,869,705	1,609,965	259,740
Excess (Deficiency) of Revenues Over Expenditures	66,518	(523,588)	(88,697)	434,891
Other Financing Sources				
Transfers In	-	-	39,952	39,952
Net Change in Fund Balance	\$ 66,518	\$ (523,588)	(48,745)	\$ 474,843
Fund Balance, Beginning of Year			693,036	
Fund Balance, End of Year			\$ 644,291	

See independent auditor's report.

TOWN OF MADISONVILLE, LOUISIANA
Budgetary Comparison Schedule
Special Revenue Fund
For the Year Ended June 30, 2021

Schedule II

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable/ (Unfavorable)
Revenues				
Taxes				
Sales and Use Taxes	\$ 563,617	\$ 563,617	\$ 723,051	\$ 159,434
Intergovernmental Grants	389,100	389,100	195,456	(193,644)
Other Revenues	15,000	15,000	19,180	4,180
Interest Income	6,000	6,000	937	(5,063)
Total Revenues	<u>973,717</u>	<u>973,717</u>	<u>938,624</u>	<u>(35,093)</u>
Expenditures				
Current				
Salaries and Benefits	168,357	168,357	176,917	(8,560)
Street Maintenance	160,000	160,000	132,503	27,497
Recreation	36,000	36,000	37,151	(1,151)
Repairs and Maintenance	48,500	48,500	32,953	15,547
Utilities	46,000	46,000	30,045	15,955
Other General Expenses	7,500	7,500	7,815	(315)
Accounting and Auditing	3,000	3,000	2,500	500
Capital Outlay	741,014	900,949	900,949	-
Total Expenditures	<u>1,210,371</u>	<u>1,370,306</u>	<u>1,320,833</u>	<u>49,473</u>
Deficiency of Revenues Over Expenditures	<u>(236,654)</u>	<u>(396,589)</u>	<u>(382,209)</u>	<u>14,380</u>
Net Change in Fund Balance	<u>\$ (236,654)</u>	<u>\$ (396,589)</u>	<u>(382,209)</u>	<u>\$ 14,380</u>
Fund Balance, Beginning of Year			<u>1,531,864</u>	
Fund Balance, End of Year			<u>\$ 1,149,655</u>	

See independent auditor's report.

TOWN OF MADISONVILLE, LOUISIANA
Required Supplementary Information Under
GASB Statement No. 68
Schedule of Town's Proportionate Share of Net Pension Liability
For the Year Ended June 30, 2021

Schedule III

Municipal Employees' Retirement System	2021	2020	2019	2018	2017	2016	2015
Town's Portion of the Net Pension Liability	0.77344%	0.82515%	0.85528%	0.91876%	0.96504%	0.88382%	0.86534%
Town's Proportionate Share of the Net Pension Liability	\$ 700,911	\$ 721,852	\$ 723,420	\$ 794,940	\$ 799,929	\$ 600,684	\$ 406,274
Town's Covered Payroll	\$ 592,801	\$ 638,300	\$ 646,345	\$ 769,794	\$ 709,023	\$ 610,915	\$ 563,120
Town's Proportionate Share of the Net Pension Liability as a Percentage of its of Covered Payroll	118.24%	113.09%	111.92%	103.27%	112.82%	84.72%	66.50%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.26%	66.14%	65.60%	63.49%	62.11%	68.71%	76.94%
Municipal Police Employees' Retirement System	2021	2020					
Town's Portion of the Net Pension Liability	0.02807%	0.01353%					
Town's Proportionate Share of the Net Pension Liability	\$ 259,414	\$ 122,875					
Town's Covered Payroll	\$ 79,832	\$ 38,854					
Town's Proportionate Share of the Net Pension Liability as a Percentage of its of Covered Payroll	324.95%	316.25%					
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.94%	71.00%					

* GASB 68 requires this schedule to show information for 10 years.
The Town implemented GASB 68 in its 2015 fiscal year.
In the year ended June 30, 2019, the Town began contributing to the Municipal Police Employees'
Retirement System. As a result, there are no data to report for prior years.
Additional years will be displayed as they become available.

See independent auditor's report

TOWN OF MADISONVILLE, LOUISIANA
Required Supplementary Information Under
GASB Statement No. 68
Schedule of Town's Contributions
For the Year Ended June 30, 2021

Schedule IV

Municipal Employees' Retirement System	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 88,033	\$ 82,992	\$ 88,006	\$ 83,376	\$ 71,098	\$ 67,356	\$ 58,037
Contributions in Relation to the Contractually Required Contribution	(88,033)	(82,992)	(88,006)	(83,376)	(71,098)	(67,356)	(58,037)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's Covered Payroll	\$ 567,954	\$ 592,801	\$ 638,300	\$ 646,345	\$ 769,794	\$ 709,023	\$ 610,915
Contributions as a Percentage of Covered Payroll	15.50%	14.00%	13.79%	12.90%	9.24%	9.50%	9.50%
Municipal Police Employees' Retirement System	2021	2020	2019				
Contractually Required Contribution	\$ 25,377	\$ 25,945	\$ 12,530				
Contributions in Relation to the Contractually Required Contribution	(25,377)	(25,945)	(12,530)				
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -				
Town's Covered Payroll	\$ 75,190	\$ 79,832	\$ 38,854				
Contributions as a Percentage of Covered Payroll	33.75%	32.50%	32.25%				

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

* GASB 68 requires this schedule to show information for 10 years.

The Town implemented GASB 68 in its 2015 fiscal year.

In the year ended June 30, 2019, the Town began contributing to the Municipal Police Employees' Retirement System. As a result, there are no data to report for prior years.

Additional years will be displayed as they become available.

See independent auditor's report

OTHER SUPPLEMENTARY INFORMATION

TOWN OF MADISONVILLE, LOUISIANA
Schedule of Compensation Paid to Members
of the Board of Aldermen
For the Year Ended June 30, 2021

Official	Term Expires	Compensation
James Bouey, Alderman P.O. Box 142 Madisonville, LA 70447	June 30, 2021	\$ 6,600
Timothy Bounds, Alderman P.O. Box 835 Madisonville, LA 70447	June 30, 2021	\$ 6,600
Keith Dennis, Alderman 308 Colleen Court Madisonville, LA 70447	June 30, 2021	\$ 6,600
Brad Haddox, Mayor Pro Tem 902 Pine Street Madisonville, LA 70447	June 30, 2021	\$ 6,600
Chris Hitzman, Alderman 1113 Pine Street Madisonville, LA 70447	June 30, 2021	\$ 6,600

See independent auditor's report.

TOWN OF MADISONVILLE, LOUISIANA
Schedule of Compensation, Benefits, and Other Payments
to Agency Head
For the Year Ended June 30, 2021

Agency Head
Jean Pelloat, Mayor

Purpose	Amount
Salary	\$45,000
Benefits - Insurance	\$492
Benefits - Retirement	\$2,250
Benefits - Other	\$0
Car Allowance	\$0
Vehicle Provided by Government	\$654
Per Diem	\$0
Reimbursements	\$0
Travel	\$131
Registration Fees	\$0
Conference Travel	\$0
Continuing Professional Education Fees	\$0
Housing	\$0
Unvouchered Expenses	\$0
Special Meals	\$0
Cell Phone	\$839

See independent auditor's report.

TOWN OF MADISONVILLE, LOUISIANA
Justice System Funding Schedule - Collecting/Disbursing Entity
As Required by Act 87 of the 2020 Regular Legislative Session
General Fund
Cash Basis Presentation
For the Six-Month Periods Ended December 31, 2020 and June 30, 2021

	First Six- Month Period Ended 12/31/2020	Second Six- Month Period Ended 6/30/2021
Beginning Balance of Amounts Collected	\$ -	\$ -
Add: Collections		
Criminal Court Costs/Fees	3,479	4,046
Criminal Fines - Other	54,130	79,334
Subtotal Collections	57,609	83,380
Less: Disbursements to Governments & Nonprofits:		
Louisiana Dept of Health - Traumatic Head and Spinal Cord	250	400
Louisiana Supreme Court - Louisiana Judicial College	165	194
Louisiana Commission on Law Enforcement - Crime Victims Reparation	1,867	2,137
Louisiana Commission on Law Enforcement - POST Law Enforcement	658	774
Treasurer, State of Louisiana - CMIS	329	387
Florida Parishes Juvenile Justice Commission	150	110
Crimestoppers	60	44
Less: Amounts Retained by Collecting Agency		
Town of Madisonville - Criminal Fines	54,130	79,334
Subtotal Disbursements/Retainage	57,609	83,380
Ending Balance of Amounts Collected but not Disbursed/Retained	\$ -	\$ -
Other Information		
Ending Balance of Total Amounts Assessed but not yet Collected	\$ -	\$ -
Total Waivers during the Fiscal Period	\$ -	\$ -

See independent auditor's report.

**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**

Independent Auditor's Report

To the Honorable Jean Pelloat, Mayor
and Members of the Board of Aldermen
Town of Madisonville, Louisiana

We have audited, 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, the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Madisonville, Louisiana (the 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 October 25, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Covington, LA
October 25, 2021

TOWN OF MADISONVILLE, LOUISIANA
Schedule of Findings and Responses
For the Year Ended June 30, 2021

A. Summary of Auditor's Results

Financial Results

- | | |
|--|---------------|
| 1. Type of auditor's report | Unmodified |
| 2. Internal control over financial reporting | |
| a) Material weaknesses identified? | No |
| b) Significant deficiencies identified not considered to be material weaknesses? | None reported |
| c) Noncompliance material to the financial statements noted? | No |

Federal Awards

Not applicable.

B. Financial Statement Findings

None.

C. Compliance and Other Matters

None.

TOWN OF MADISONVILLE, LOUISIANA
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2021

Findings - Compliance and Other Matters

None.