

**TOWN OF ARNAUDVILLE, LOUISIANA**

Financial Report

Year Ended June 30, 2024

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## INDEPENDENT AUDITOR'S REPORT

\* A Professional Accounting Corporation

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

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Arnaudville, Louisiana (Town), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Arnaudville, Louisiana, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

#### *Responsibilities of Management for the Financial Statements*

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

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

### ***Auditor's Responsibility for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we exercise professional judgement and maintain professional skepticism throughout the audit. We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed. We evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements. We conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedule of employer's share of net pension liability and schedule of employer contributions on pages 44 through 49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

## ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Arnaudville, Louisiana's basic financial statements. The other supplementary information on pages 51 through 64 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The combined and comparative statements and the Justice System Funding Schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these combined and comparative statements and the Justice System Funding Schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The prior year comparative information on these statements has been derived from the Town of Arnaudville's 2023 financial statements, which was subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and, in our opinion, was fairly presented, in all material respects, in relation to the basic financial statements as a whole.

## **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the comparative detailed budget comparison schedules but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 5, 2024, on our consideration of the Town of Arnaudville, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Arnaudville, Louisiana's internal control over financial reporting and compliance.

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

Lafayette, Louisiana  
September 5, 2024

**BASIC FINANCIAL STATEMENTS**

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



TOWN OF ARNAUDVILLE

Statement of Net Position

June 30, 2024

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and interest-bearing demand deposits	\$ 1,434,744	\$ 1,095,940	\$ 2,530,684
Interest-bearing time deposits	524,532	1,069,792	1,594,324
Receivables, net	31,945	148,059	180,004
Internal balances	49,210	(49,210)	-
Due from other governmental units	78,503	-	78,503
Prepaid items	17,983	20,022	38,005
Total current assets	<u>2,136,917</u>	<u>2,284,603</u>	<u>4,421,520</u>
Noncurrent assets:			
Restricted assets:			
Cash and interest-bearing demand deposits	-	68,642	68,642
Capital assets, net	<u>2,349,212</u>	<u>4,358,220</u>	<u>6,707,432</u>
Total noncurrent assets	<u>2,349,212</u>	<u>4,426,862</u>	<u>6,776,074</u>
Total assets	<u>4,486,129</u>	<u>6,711,465</u>	<u>11,197,594</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>508,950</u>	<u>120,147</u>	<u>629,097</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts and other payables	38,795	79,577	118,372
Customers deposits payable	-	68,642	68,642
Total current liabilities	<u>38,795</u>	<u>148,219</u>	<u>187,014</u>
Noncurrent liabilities:			
Compensated absences	18,254	9,716	27,970
Net pension liability	<u>919,647</u>	<u>408,019</u>	<u>1,327,666</u>
Total noncurrent liabilities	<u>937,901</u>	<u>417,735</u>	<u>1,355,636</u>
Total liabilities	<u>976,696</u>	<u>565,954</u>	<u>1,542,650</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>29,670</u>	<u>57,267</u>	<u>86,937</u>
<b>NET POSITION</b>			
Net investment in capital assets	2,349,212	4,312,720	6,661,932
Restricted for sales tax dedications	1,605,417	-	1,605,417
Unrestricted	34,084	1,895,671	1,929,755
Total net position	<u>\$ 3,988,713</u>	<u>\$ 6,208,391</u>	<u>\$ 10,197,104</u>

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

TOWN OF ARNAUDVILLE

Statement of Activities  
For the Year Ended June 30, 2024

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 434,577	\$ 122,135	\$ -	\$ -	\$ (312,442)	\$ -	\$ (312,442)
Public safety:							
Police	685,223	42,774	30,450	-	(611,999)	-	(611,999)
Streets	121,675	-	4,488	64,828	(52,359)	-	(52,359)
Community center	16,684	-	-	-	(16,684)	-	(16,684)
Parks and recreation	62,966	-	24,865	-	(38,101)	-	(38,101)
Total governmental activities	<u>1,321,125</u>	<u>164,909</u>	<u>59,803</u>	<u>64,828</u>	<u>(1,031,585)</u>	<u>-</u>	<u>(1,031,585)</u>
Business-type activities:							
Gas	324,913	368,382	-	-	-	43,469	43,469
Water	473,419	538,217	-	-	-	64,798	64,798
Sewer	295,573	225,850	-	18,569	-	(51,154)	(51,154)
Sanitation	226	1,316	-	-	-	1,090	1,090
Total business-type activities	<u>1,094,132</u>	<u>1,133,765</u>	<u>-</u>	<u>18,569</u>	<u>-</u>	<u>58,202</u>	<u>58,202</u>
Total	<u>\$2,415,257</u>	<u>\$ 1,298,674</u>	<u>\$ 59,803</u>	<u>\$ 83,397</u>	<u>(1,031,585)</u>	<u>58,202</u>	<u>(973,383)</u>
General revenues:							
Taxes -							
Property taxes, levied for general purposes					49,319	53,918	103,237
Sales and use taxes, levied for general purposes					874,636	-	874,636
Franchise taxes					69,638	-	69,638
Grants and contributions not restricted to specific programs -							
State sources					35,874	-	35,874
Non-employer pension contribution					19,815	8,398	28,213
Interest and investment earnings					36,127	35,736	71,863
Miscellaneous					58,897	-	58,897
Transfers					(329,496)	329,496	-
Total general revenues and transfers					<u>814,810</u>	<u>427,548</u>	<u>1,242,358</u>
Change in net position					(216,775)	485,750	268,975
Net position - July 1, 2023					<u>4,205,488</u>	<u>5,722,641</u>	<u>9,928,129</u>
Net position - June 30, 2024					<u>\$3,988,713</u>	<u>\$6,208,391</u>	<u>\$ 10,197,104</u>

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

**FUND FINANCIAL STATEMENTS (FFS)**

## **FUND DESCRIPTIONS**

### **MAJOR FUNDS**

#### **General Fund**

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

#### **Special Revenue Funds**

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

##### **1969 Sales Tax Fund -**

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

##### **1982 Sales Tax Fund -**

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

### **Capital Projects Funds**

#### **Street Improvement Fund -**

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

#### **2% Set Aside Fund -**

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

#### **LCDBG Grant Projects Fund -**

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

### **Enterprise Fund**

#### **Utility Fund -**

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

TOWN OF ARNAUDVILLE

Balance Sheet  
Governmental Funds  
June 30, 2024

	General	1969 Sales Tax Special Revenue	1982 Sales Tax Special Revenue	Other Governmental Funds	Total
<b>ASSETS</b>					
Cash and interest-bearing demand deposits	\$ 243,746	\$ 469,585	\$ 707,582	\$ 13,831	\$ 1,434,744
Interest-bearing time deposits	-	239,350	123,328	161,854	524,532
Receivables:					
Other	25,258	41	-	-	25,299
Interest	-	3,251	2,540	855	6,646
Due from other governmental units	2,679	37,912	37,912	-	78,503
Due from other funds	-	-	3,080	49,210	52,290
Prepaid items	17,983	-	-	-	17,983
Total assets	<u>289,666</u>	<u>750,139</u>	<u>874,442</u>	<u>225,750</u>	<u>2,139,997</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	22,711	15,290	794	-	38,795
Unearned revenue	-	-	-	-	-
Due to other funds	-	3,080	-	-	3,080
Total liabilities	<u>22,711</u>	<u>18,370</u>	<u>794</u>	<u>-</u>	<u>41,875</u>
Fund balances -					
Nonspendable (prepaid items)	17,983	-	-	-	17,983
Restricted for sales tax dedications	-	731,769	873,648	-	1,605,417
Assigned for capital projects	-	-	-	225,750	225,750
Unassigned	248,972	-	-	-	248,972
Total fund balances	<u>266,955</u>	<u>731,769</u>	<u>873,648</u>	<u>225,750</u>	<u>2,098,122</u>
Total liabilities and fund balances	<u>\$ 289,666</u>	<u>\$ 750,139</u>	<u>\$ 874,442</u>	<u>\$ 225,750</u>	<u>\$ 2,139,997</u>

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

TOWN OF ARNAUDVILLE

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
June 30, 2024

Total fund balances for governmental funds		\$2,098,122
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 186,668	
Buildings and improvements, net of \$608,126 accumulated depreciation	673,980	
Infrastructure, net of \$868,062 accumulated depreciation	1,319,478	
Equipment and vehicles, net of \$405,948 accumulated depreciation	<u>169,086</u>	2,349,212
The deferred outflows of expenditures for the municipal and police employees retirement systems are not a use of current resources, and therefore, are not reported in the funds.		
		508,950
Long-term liabilities of governmental activities are not payable from current resources and, therefore, not reported in the funds. These liabilities consist of:		
Compensated absences payable	(18,254)	
Net pension liability	<u>(919,647)</u>	(937,901)
The deferred inflows of contributions for the municipal and police employees retirement systems are not available resources, and therefore, are not reported in the funds.		
		<u>(29,670)</u>
Total net position of governmental activities		<u>\$3,988,713</u>

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

TOWN OF ARNAUDVILLE

Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Governmental Funds  
For the Year Ended June 30, 2024

	General	1969 Sales Tax Special Revenue	1982 Sales Tax Special Revenue	Other Governmental Funds	Total
<b>Revenues:</b>					
Taxes	\$ 118,957	\$ 437,324	\$ 437,313	\$ -	\$ 993,594
Licenses and permits	122,135	-	-	-	122,135
Intergovernmental	105,190	30,450	-	-	135,640
Fines and forfeits	42,774	-	-	-	42,774
Miscellaneous	83,761	7,085	26,198	2,844	119,888
<b>Total revenues</b>	<u>472,817</u>	<u>474,859</u>	<u>463,511</u>	<u>2,844</u>	<u>1,414,031</u>
<b>Expenditures:</b>					
<b>Current -</b>					
General government	318,445	18,992	18,043	-	355,480
Public safety - police	256,186	338,787	-	-	594,973
Streets	11,311	-	31,469	-	42,780
Community center	16,684	-	-	-	16,684
Parks and recreation	46,578	-	4,006	-	50,584
Capital outlay	43,190	-	164,575	-	207,765
<b>Total expenditures</b>	<u>692,394</u>	<u>357,779</u>	<u>218,093</u>	<u>-</u>	<u>1,268,266</u>
<b>Excess (deficiency) of revenues     over expenditures</b>	<u>(219,577)</u>	<u>117,080</u>	<u>245,418</u>	<u>2,844</u>	<u>145,765</u>
<b>Other financing sources (uses):</b>					
Transfers in	200,000	-	-	56,812	256,812
Transfers out	(386,308)	-	(200,000)	-	(586,308)
<b>Total other financing sources (uses)</b>	<u>(186,308)</u>	<u>-</u>	<u>(200,000)</u>	<u>56,812</u>	<u>(329,496)</u>
<b>Net changes in fund balances</b>	<u>(405,885)</u>	<u>117,080</u>	<u>45,418</u>	<u>59,656</u>	<u>(183,731)</u>
Fund balances, beginning	<u>672,840</u>	<u>614,689</u>	<u>828,230</u>	<u>166,094</u>	<u>2,281,853</u>
Fund balances, ending	<u>\$ 266,955</u>	<u>\$ 731,769</u>	<u>\$ 873,648</u>	<u>\$ 225,750</u>	<u>\$ 2,098,122</u>

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

TOWN OF ARNAUDVILLE

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, 2024

Total net changes in fund balance for the year ended June 30, 2024 per statement of revenues, expenditures and changes in fund balances		\$ (183,731)
The change in net position reported for governmental activities in the statement of activities is different because:		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay which are considered expenditures on the statement of revenues, expenditures and changes in fund balances	\$ 207,765	
Depreciation expense	<u>(183,307)</u>	24,458
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.		
Increase in compensated absences	(2,620)	
Increase in pension expense	<u>(74,697)</u>	(77,317)
Non-employer's contributions to the municipal employees and the police employees pension plans		<u>19,815</u>
Total net changes in net position for the year ended June 30, 2022 per statement of activities		<u>\$ (216,775)</u>

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



TOWN OF ARNAUDVILLE

Statement of Net Position  
Proprietary Fund  
June 30, 2024

	Enterprise Fund
<b>ASSETS</b>	
Current assets:	
Cash and interest-bearing demand deposits	\$ 1,095,940
Interest-bearing time deposits	1,069,792
Receivables:	
Accounts	135,875
Other	12,184
Prepaid items	20,022
Total current assets	2,333,813
Noncurrent assets:	
Restricted assets -	
Cash and interest-bearing demand deposits	68,642
Capital assets, net of accumulated depreciation	4,358,220
Total noncurrent assets	4,426,862
Total assets	6,760,675
DEFERRED OUTFLOWS OF RESOURCES	120,147
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	24,183
Contracts payable	45,500
Due to other funds	49,210
Accrued liabilities	9,894
Payable from restricted assets -	
Customers' deposits payable	68,642
Total current liabilities	197,429
Noncurrent liabilities:	
Compensated absences	9,716
Net pension liability	408,019
Total noncurrent liabilities	417,735
Total liabilities	615,164
DEFERRED INFLOWS OF RESOURCES	57,267
<b>NET POSITION</b>	
Net investment in capital assets	4,312,720
Unrestricted	1,895,671
Total net position	\$ 6,208,391

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

TOWN OF ARNAUDVILLE

Statement of Revenues, Expenses, and Changes in Fund Net Position -  
 Proprietary Fund  
 For the Year Ended June 30, 2022

	<u>Enterprise Fund</u>
Operating revenues:	
Charges for services -	
Gas charges	\$ 346,628
Water charges	511,508
Sewer service charges	221,412
Sanitation charges	656
Miscellaneous	<u>53,561</u>
Total operating revenues	<u>1,133,765</u>
Operating expenses:	
Salaries	238,860
Payroll taxes and retirement	45,368
Gas purchases	64,078
Supplies, repairs and maintenance	228,596
Professional fees	22,370
Telephone	6,849
Depreciation	323,229
Insurance	97,172
Utilities	37,089
Fire department expense	3,328
Office supplies	14,996
Miscellaneous	<u>12,197</u>
Total operating expenses	<u>1,094,132</u>
Operating income	<u>39,633</u>

(continued)

TOWN OF ARNAUDVILLE, LOUISIANA

Statement of Revenues, Expenses, and Changes in Fund Net Position -  
 Proprietary Fund (Continued)  
 For the Year Ended June 30, 2024

	<u>Enterprise Fund</u>
Nonoperating revenues (expenses):	
Non-employer pension contribution	8,398
Interest income	35,736
Ad valorem taxes	53,918
Interest expense	-
Total nonoperating revenues (expenses)	<u>98,052</u>
 Income before contributions and transfers	 137,685
 Contributions	 18,569
 Transfers	 <u>329,496</u>
 Change in net position	 485,750
 Net position, beginning	 <u>5,722,641</u>
 Net position, ending	 <u>\$ 6,208,391</u>

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

TOWN OF ARNAUDVILLE, LOUISIANA

Statement of Cash Flows  
Proprietary Fund  
For the Year Ended June 30, 2024

	<u>Enterprise Fund</u>
Cash flows from operating activities:	
Receipts from customers	\$ 1,120,004
Payments to suppliers	(560,449)
Payments to employees	<u>(193,492)</u>
Net cash provided by operating activities	<u>366,063</u>
Cash flows from noncapital financing activities:	
Cash received by other funds	6,187
Transfers from other funds	329,496
Increase in customer deposits payable	1,800
Ad valorem tax receipts	<u>53,918</u>
Net cash used by noncapital financing activities	<u>391,401</u>
Cash flows from capital and related financing activities:	
Principal paid on revenue bonds	(31,000)
Acquisition of property, plant and equipment	(225,343)
Capital contributions	<u>18,569</u>
Net cash used by capital and related financing activities	<u>(237,774)</u>
Cash flows from investing activities:	
Maturities of interest-bearing time deposits	1,045,462
Purchase of interest-bearing time deposits	(1,069,792)
Interest on interest-bearing deposits	<u>35,736</u>
Net cash used by investing activities	<u>11,406</u>
Net increase in cash and cash equivalents	531,096
Cash and cash equivalents, beginning of period	<u>633,486</u>
Cash and cash equivalents, end of period	<u>\$ 1,164,582</u>

(continued)

TOWN OF ARNAUDVILLE, LOUISIANA

Statement of Cash Flows  
 Proprietary Fund (Continued)  
 For the Year Ended June 30, 2024

	<u>Enterprise Fund</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating income	\$ 39,633
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	323,229
Pension	6,059
Changes in current assets and liabilities:	
(Increase) in accounts receivable	(13,761)
Decrease in prepaid items	9,985
Increase in accounts payable	10,819
Increase in accrued liabilities	<u>1,028</u>
Net cash provided by operating activities	<u>\$ 366,063</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:	
Cash and cash equivalents, beginning of period -	
Cash - unrestricted	\$ 566,644
Cash - restricted	<u>66,842</u>
Total cash and cash equivalents	<u>633,486</u>
Cash and cash equivalents, end of period -	
Cash - unrestricted	1,095,940
Cash - restricted	<u>68,642</u>
Total cash and cash equivalents	<u>1,164,582</u>
Net increase	<u>\$ 531,096</u>

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

# TOWN OF ARNAUDVILLE, LOUISIANA

## Notes to Basic Financial Statements

### (1) Summary of Significant Accounting Policies

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

#### A. Financial Reporting Entity

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

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

#### B. Basis of Presentation

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

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

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

## TOWN OF ARNAUDVILLE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Fund Financial Statements (FFS)

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

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

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

The Town reports the following major governmental funds:

#### Governmental Funds -

##### General Fund

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

##### Special Revenue Funds

##### 1969 Sales Tax Fund -

The 1969 Sales Tax Fund is used to account for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for specific purposes. These taxes are described in note 3.

##### 1982 Sales Tax Fund -

The 1982 Sales Tax Fund is used to account for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for specific purposes. These taxes are described in note 3.

## TOWN OF ARNAUDVILLE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

The Town reports the following major enterprise funds:

#### Utility Fund -

This fund accounts for operations of the gas, water, sewer and sanitation services (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

#### C. Measurement Focus/Basis of Accounting

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

#### Measurement Focus

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

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

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



## TOWN OF ARNAUDVILLE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Basis of Accounting

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

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

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

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

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

##### Cash, interest-bearing deposits, and investments

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

##### Interfund receivables and payables

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

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes and franchise taxes. Business-type activities report customer's utility service receivables as their major receivables. Through the establishment of an allowance account, uncollectible amounts due from customers' utility receivables are determined based on the Town's collection history. The allowance for uncollectible for customers utility receivables at June 30, 2024 was \$11,116. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month are \$51,901 at June 30, 2024.

Capital Assets

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

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation. The Town maintains a threshold level of \$1,000 or more for capitalizing capital assets. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

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

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

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

## TOWN OF ARNAUDVILLE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

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

#### Restricted Assets

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

#### Long-term debt

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

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

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

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

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures of revenues, respectively. At June 30, 2024, the Town's deferred outflows and inflows of resources are attributable to its pension plans.

## TOWN OF ARNAUDVILLE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Compensated Absences

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

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

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

At June 30, 2024, employees of the Town have accumulated and vested \$27,970 of compensated absence benefits. The estimated liabilities include required salary-related payments.

#### Equity Classifications

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

- a. Net investment in capital assets – This component consists of net capital assets reduced by the outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased balances of deferred outflows of resources related to those assets.
- b. Restricted net position – This component is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the Town's debt. Restricted net position is restricted assets reduced by liabilities and deferred inflows of resources related to the restricted assets. Constraints may be placed on the use, either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The Town typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project. At June 30, 2024, the Town reported \$1,605,417 of restricted net position, all of which was restricted by enabling legislation.
- c. Unrestricted net position – This component consists of all other net position that does not meet the definition of the above two components and is available for general use by the Town.

## TOWN OF ARNAUDVILLE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

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

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

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

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

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

##### Operating Revenues and Expenses

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

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Expenditures/Expenses

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

In the fund financial statements, governmental funds expenditures are classified by character and proprietary fund expenses are classified by operating and nonoperating.

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

Interfund Transfers

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

F. Revenue Restrictions

The Town has various restrictions placed over certain revenue sources from state or local requirements. The Town uses unrestricted resources only when restricted resources are fully depleted. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Sales tax	See Note 3

G. Use of Estimates

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

H. Comparative Data and Reclassification

Comparative data for the prior year have been presented in certain sections of the accompanying financials statements in order to provide an understanding of changes in the Town's financial position and operations. Also, certain amounts presented in the prior year data have been reclassified to be consistent with the current year's presentation.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(2) Ad Valorem Taxes

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

For the year ended June 30, 2024, taxes of 12.72 mills were levied on property with assessed valuations totaling \$7,113,400 and were dedicated as follows:

General corporate purposes	5.72 mills
Utility system	7.00 mills

Total taxes levied were \$101,223. There are no taxes receivable amounts at June 30, 2024.

(3) Sales and Use Tax

Proceeds of a 1 percent sales and use tax (accounted for in the 1969 Sales Tax Fund - a special revenue fund) levied by the Town (2024 collections \$437,324) are dedicated to the following purposes:

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

Proceeds of a 1 percent sales and use tax (accounted for in the 1982 Sales Tax Fund - a special revenue fund) levied by the Town (2024 collections \$437,324) are dedicated to the following purposes:

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

The above sales taxes were issued in perpetuity.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(4) Cash and Interest-Bearing Deposits and Investments

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

At June 30, 2024, the Town had cash and interest-bearing deposits (book balances) totaling \$4,193,651 as follows:

Demand deposits	\$2,599,326
Time deposits	<u>1,594,324</u>
Total	<u>\$4,193,650</u>

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

Deposit balances (bank balances) as of June 30, 2024 were secured as follows:

Bank balances	<u>\$3,847,064</u>
Federal deposit insurance	1,000,000
Pledged securities	<u>2,847,064</u>
Total FDIC insurance and pledged securities	<u>\$3,847,064</u>

Deposits in the amount of \$2,847,064 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the Town's name. Even though the pledged securities are considered uncollateralized, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Town that the fiscal agent has failed to pay deposited funds upon demand. The Town does not have a policy for custodial credit risk.



TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(5) Receivables

Receivables as of June 30, 2024 of \$188,649 consist of the following:

	<u>General</u>	1969 <u>Sales Tax</u>	1982 <u>Sales Tax</u>	2% <u>Set Aside</u>	<u>Utility</u>	<u>Total</u>
Accounts	\$ -	\$ -	\$ -	\$ -	\$146,991	\$146,991
Allowance	-	-	-	-	(11,116)	(11,116)
Franchise taxes	25,258	-	-	-	-	25,258
Interest	-	3,251	2,540	855	12,184	18,830
Other	-	41	-	-	-	41
Totals	<u>\$ 25,258</u>	<u>\$ 3,292</u>	<u>\$ 2,540</u>	<u>\$ 855</u>	<u>\$148,059</u>	<u>\$180,004</u>

(6) Due from Other Governmental Units

Amounts due from other governmental units as of June 30, 2024 consisted of the following:

Fund Financial Statements:

Governmental funds-

St. Landry Parish School Board:

Sales tax revenues \$ 75,824

St. Landry Parish Government:

Video poker 2,313

State of Louisiana:

Beer taxes 366

\$ 78,503

Governmental-wide financial statements:

Total amount reported in-

Governmental Funds, from above \$ 78,503

\$ 78,503

(7) Restricted Assets

Restricted assets in the business-type activities consisted of the following as of June 30, 2024:

Customers' deposits \$ 68,642

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(8) Capital Assets

Capital asset activity for the year ended June 30, 2024 was as follows:

	Balance 7/1/2023	Additions	Deletions	Balance 6/30/2024
<b>Governmental activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 201,668	\$ -	\$ 15,000	\$ 186,668
<b>Other capital assets:</b>				
Buildings and improvements	1,306,326	-	24,220	1,282,106
Infrastructure	2,022,965	164,575	-	2,187,540
Equipment and vehicles	574,650	43,190	42,806	575,034
<b>Totals</b>	<u>4,105,609</u>	<u>207,765</u>	<u>82,026</u>	<u>4,231,348</u>
<b>Less accumulated depreciation</b>				
Buildings and improvements	573,797	51,951	17,622	608,126
Infrastructure	782,457	85,605	-	868,062
Equipment and vehicles	399,776	45,751	39,579	405,948
<b>Total accumulated depreciation</b>	<u>1,756,030</u>	<u>183,307</u>	<u>57,201</u>	<u>1,882,136</u>
<b>Governmental activities, capital assets, net</b>	<u>\$ 2,349,579</u>	<u>\$ 24,458</u>	<u>\$ 24,825</u>	<u>\$ 2,349,212</u>
<b>Business-type activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 58,209	\$ -	\$ -	\$ 58,209
Construction in progress	-	23,065	-	23,065
<b>Other capital assets:</b>				
Plant and equipment - gas	992,163	15,389	1,391	1,006,161
Plant and equipment - water system	4,068,430	39,011	3,451	4,103,990
Plant and equipment - sewer system	3,860,524	44,772	10,900	3,894,396
Auto and office equipment	391,775	57,606	21,849	427,532
<b>Totals</b>	<u>9,371,101</u>	<u>179,843</u>	<u>37,591</u>	<u>9,513,353</u>
<b>Less accumulated depreciation</b>				
Plant and equipment - gas	334,116	24,860	21,849	337,127
Plant and equipment - water system	1,774,335	149,099	3,451	1,919,983
Plant and equipment - sewer system	2,044,890	131,707	10,900	2,165,697
Auto and office equipment	716,154	17,563	1,391	732,326
<b>Total accumulated depreciation</b>	<u>4,869,495</u>	<u>323,229</u>	<u>37,591</u>	<u>5,155,133</u>
<b>Business-type activities, capital assets, net</b>	<u>\$ 4,501,606</u>	<u>\$ (143,386)</u>	<u>\$ -</u>	<u>\$ 4,358,220</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 65,871
Police	26,158
Streets	78,895
Park and recreation	<u>12,383</u>
Total depreciation expense	<u>\$ 183,307</u>

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

Gas	\$ 31,183
Water	156,827
Sewer	<u>135,220</u>
Total depreciation expense	<u>\$ 323,229</u>

(9) Accounts and Other Payables

The accounts, salaries, and other payables consisted of the following at June 30, 2024:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Accounts	\$ 38,795	24,183	\$ 62,978
Contracts payable	-	45,500	45,500
Accrued liabilities	-	<u>9,894</u>	<u>9,894</u>
Totals	<u>\$ 38,795</u>	<u>\$ 79,577</u>	<u>\$ 118,372</u>

(10) Long-Term Liabilities

The following is a summary of compensated absences as of June 30, 2024:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Long-term liabilities at July 1, 2023	\$ 15,634	13,157	\$ 28,791
Additions	5,734	716	6,450
Reductions	<u>(3,114)</u>	<u>(4,157)</u>	<u>(7,271)</u>
Long-term liabilities at June 30, 2024	<u>\$ 18,254</u>	<u>\$ 9,716</u>	<u>\$ 27,970</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(11) Pension Plans

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

**Plan Descriptions:**

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

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

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

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

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

<sup>1</sup> With actuarial reduced benefits

<sup>2</sup> Membership commencing January 1, 2013

<sup>3</sup> Under non hazardous duty sub plan commencing January 1, 2013

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

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Basic Financial Statements (Continued)

**Contributions**

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee. Contributions of employees, employers, and non-employer contributing entities effective for the year ended June 30, 2024 for the defined benefit pension plans in which the Town is a participating employer were as follows:

<u>Plan</u>	<u>Active Member Contribution Percentage</u>	<u>Employer Contribution Percentage</u>	<u>Nonemployer Contributing Entities</u>	<u>Government Contributions</u>
MERS	10.00%	29.50%	\$ 14,548	\$ 100,285
MPERS	10.00%	29.75%	8,945	71,224
Total			<u>\$ 23,493</u>	<u>\$ 171,509</u>

**Net Pension Liability**

The Town's net pension liability as of June 30, 2024, is comprised of its proportionate share of the net pension liability relating to each of the cost-sharing plans in which the Town is a participating employer. The Town's net pension liability for each plan was measured as of the plan's measurement date (June 30, 2023, for both plans) and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportionate share of the net pension liability for each of the plans in which it participates was based on the Town's required contributions in proportion to total required contributions for all employers. As of the most recent measurement date, the Town's proportion for each plan and the change in proportion from the prior measurement date were as follows:

<u>Plan</u>	<u>Proportionate Share of Net Pension Liability</u>	<u>Proportionate Share (%) of Net Pension Liability</u>	<u>Increase/(Decrease) from Prior Measurement Date</u>
MERS	\$ 617,288	0.168895%	-0.035390%
MPERS	710,378	0.067239%	0.027027%
Total	<u>\$ 1,327,666</u>		

(Continued)

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Since the measurement date of the net pension liability was June 30, 2023, the net pension liability is based upon fiduciary net position for each of the plans as of those dates. Detailed information about each pension plan’s assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the Town’s net pension liability is available in the separately issued plan financial reports for those fiscal years. The financial report for each plan may be accessed on their website as follows:

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

**Actuarial Assumptions**

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

	MERS	MPERS
Date of experience study on which significant assumptions are based	7/1/2013 - 6/30/2018	7/1/2014 - 6/20/2019
Actuarial cost method	Entry Age Normal	Entry Age Normal
Investment rate of return	6.85%, net of investment expense	6.75%, net of investment expense
Expected remaining service lives	3	4
Inflation rate	2.5%	2.5%
Projected salary increases	4.5% - 6.4%	4.70% - 12.30%
Projected benefit changes including COLAs	None	None
Source of mortality assumptions	(1), (2), (3)	(4), (5), (6)

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

(Continued)

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Basic Financial Statements (Continued)

**Cost of Living Adjustments**

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

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

**Long-term Rate of Return**

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

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

Asset Class	MERS		MPERS	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Fixed Income	56.00%	2.44%	52.00%	3.29%
Equities	29.00%	1.26%	34.00%	1.12%
Alternative Investments	15.00%	0.65%	14.00%	0.95%
Totals	100%	4.35%	100%	5.36%
Inflation		2.50%		2.54%
Expected arithmetic nominal return		6.85%		7.90%

(Continued)

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Basic Financial Statements (Continued)

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

Changes in the net pension liability may either be reported in pension expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into pension expense over a number of years. For the year ended June 30, 2024, the Town recognized \$52,238 and \$178,117 in pension expense related to MERS and MPERS, respectively.

At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		
	MERS	MPERS	Total
Difference between expected and actual experience	\$ 414	\$ 50,039	\$ 50,453
Changes of assumptions	-	11,854	11,854
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	16,238	200,946	217,184
Net differences between projected and actual earnings on plan investments	70,935	76,689	147,624
Contributions subsequent to the measurement date	94,182	107,800	201,982
Total	<u>\$ 181,769</u>	<u>\$447,328</u>	<u>\$ 629,097</u>

	Deferred Inflows of Resources		
	MERS	MPERS	Total
Difference between expected and actual experience	\$ 5,645	\$ 298	\$ 5,943
Net differences between projected and actual earnings on plan investments	-	-	-
Changes of assumptions	-	-	-
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	80,994	-	80,994
Total	<u>\$ 86,639</u>	<u>\$ 298</u>	<u>\$ 86,937</u>

(Continued)



TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Deferred outflows of resources of \$201,892 resulting from the employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending June 30, 2024. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions to be recognized in pension expense are as follows:

<u>Year Ended June 30,</u>	<u>MERS</u>	<u>MPERS</u>	<u>Total</u>
2025	\$ (9,332)	\$ 125,054	\$ 115,722
2026	(36,665)	86,420	49,755
2027	51,459	131,568	183,027
2028	(4,515)	(3,812)	(8,327)
	<u>\$ 947</u>	<u>\$ 339,230</u>	<u>\$ 340,177</u>

**Discount Rate**

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net positions was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for MERS was 6.85%, a decrease of .00% from the prior year. The discount rate used to measure the total pension liability for MPERS was 6.75%, a decrease of .00% from the prior year.

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

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

<u>Plan</u>	<u>Current Discount Rate</u>	<u>Net Pension Liability</u>		
		<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
MERS	6.850%	\$ 855,791	\$ 617,288	\$ 415,825
MPERS	6.750%	999,558	710,378	468,806
Total		<u>\$ 1,855,349</u>	<u>\$ 1,327,666</u>	<u>\$ 884,631</u>

(Continued)

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Basic Financial Statements (Continued)

**Payables to the Pension Plans**

At June 30, 2024, the Town's payables were \$3,339 and \$4,107 to MERS and MPERS, respectively, for the month of June 2024, which were the contractually required contributions.

(12) On-Behalf Payment of Salaries

The Town has recognized \$30,450 as a revenue and expenditure for on-behalf salary payments made by the State of Louisiana.

(13) Departmental Information for the Enterprise Fund

The Town maintains one enterprise fund with four departments, which provides gas, water, sewerage and sanitation (on a limited basis) services. Departmental information for the year ended June 30, 2024 was as follows:

	<u>Gas Department</u>	<u>Water Department</u>	<u>Sewerage Department</u>	<u>Sanitation Department</u>	<u>Total Enterprise Fund</u>
Operating revenues	\$ 368,382	\$ 538,217	\$ 225,850	\$ 1,316	\$1,133,765
Operating expenses:					
Depreciation expense	31,183	156,827	135,220	-	323,229
Other operating expenses	<u>293,732</u>	<u>316,592</u>	<u>160,353</u>	<u>226</u>	<u>770,903</u>
Total operating expenses	<u>324,913</u>	<u>473,419</u>	<u>295,573</u>	<u>226</u>	<u>1,094,132</u>
Operating income (loss)	<u>\$ 43,469</u>	<u>\$ 64,798</u>	<u>\$ (69,723)</u>	<u>\$ 1,090</u>	<u>\$ 39,633</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(14) Compensation of Town Officials

A detail of compensation paid to the Mayor, Chief of Police, and Board of Aldermen for the year ended June 30, 2024 follows:

Todd Meche, Mayor	\$ 25,000
Josh Ross, Chief of Police	40,000
Aldermen:	
Jamie Huval	5,400
Debra Kidder	5,400
Kevin Robin (resigned February 2024)	3,600
Kris Allen Brasseaux (appointed February 2024)	1,800
John Taylor	5,400
Suzanne Stelly	5,400
	<u>\$ 92,000</u>

(15) Compensation, Reimbursements, Benefits, and Other Payments to Entity Head

Under Act 706, the Town of Arnaudville is required to disclose the compensation, reimbursements, benefits, and other payments made to the mayor, in which the payments are related to the position. The following is a schedule of payments made to Todd Meche, Mayor for the year ended June 30, 2024:

Salary	\$ 25,000
Benefits - retirement	2,500
Reimbursements	499
	<u>\$ 27,999</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(16) Interfund Transactions

A. Receivables and Payables

Interfund receivables and payables consisted of the following at June 30, 2024:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental Funds:		
General Fund	\$ 71,738	\$ 398
1969 Sales Tax Special Revenue Fund	14,209	15,556
1982 Sales Tax Special Revenue Fund	398	14,209
Other Governmental Funds	-	13,159
Enterprise Fund:		
Utility Fund	<u>13,159</u>	<u>56,182</u>
Total	<u>\$ 99,504</u>	<u>\$ 99,504</u>

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

B. Interfund Transfers

Interfund transfers consisted of the following at June 30, 2024:

	<u>Interfund Transfers In</u>	<u>Interfund Transfers Out</u>
Governmental Funds:		
General Fund	\$ 200,000	\$ -
1969 Sales Tax Special Revenue Fund	-	8,200
1982 Sales Tax Special Revenue Fund	-	191,800
Street Improvement Capital Projects Fund	-	-
Other Governmental Funds	45,146	-
Enterprise Fund:		
Utility Fund	<u>-</u>	<u>45,146</u>
Total	<u>\$ 245,146</u>	<u>\$ 245,146</u>

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

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(17) Risk Management

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

(18) Pending Litigation

At June 30, 2024, the Town is not involved in lawsuits and is not aware of unasserted claims.

(19) Uncertainties Arising During and After Financial Statement Date

Management has evaluated subsequent events through September 5, 2024, the date which the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

TOWN OF ARNAUDVILLE, LOUISIANA  
General Fund

Budgetary Comparison Schedule  
For the Year Ended June 30, 2024

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 127,848	\$ 117,226	\$ 118,957	\$ 1,731
Licenses and permits	110,455	95,743	122,135	26,392
Intergovernmental	109,745	102,888	105,190	2,302
Fines and forfeits	14,570	47,100	42,774	(4,326)
Miscellaneous	<u>67,175</u>	<u>72,574</u>	<u>83,761</u>	<u>11,187</u>
Total revenues	<u>429,793</u>	<u>435,531</u>	<u>472,817</u>	<u>37,286</u>
<b>Expenditures:</b>				
Current-				
General government	319,392	326,097	318,445	7,652
Public safety - police	278,642	267,098	256,186	10,912
Streets	14,040	12,513	11,311	1,202
Community center	12,995	16,261	16,684	(423)
Parks and recreation	49,402	53,993	46,578	7,415
Capital outlay	<u>14,700</u>	<u>42,719</u>	<u>43,190</u>	<u>(471)</u>
Total expenditures	<u>689,171</u>	<u>718,681</u>	<u>692,394</u>	<u>26,287</u>
Deficiency of revenues over expenditures	<u>(259,378)</u>	<u>(283,150)</u>	<u>(219,577)</u>	<u>63,573</u>
<b>Other financing sources (uses):</b>				
Transfers in	200,000	200,000	200,000	-
Transfers out	<u>-</u>	<u>(387,545)</u>	<u>(386,308)</u>	<u>1,237</u>
Total other financing sources (uses)	<u>200,000</u>	<u>(187,545)</u>	<u>(186,308)</u>	<u>1,237</u>
Net change in fund balances	(59,378)	(470,695)	(405,885)	64,810
Fund balance, beginning	<u>672,840</u>	<u>672,840</u>	<u>672,840</u>	<u>-</u>
Fund balance, ending	<u>\$ 613,462</u>	<u>\$ 202,145</u>	<u>\$ 266,955</u>	<u>\$ 64,810</u>

See notes to required supplementary information.

TOWN OF ARNAUDVILLE, LOUISIANA  
1969 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule  
For the Year Ended June 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 406,000	\$ 420,000	\$ 437,324	\$ 17,324
Intergovernmental	36,000	23,000	30,450	7,450
Miscellaneous	-	-	7,085	7,085
Total revenues	<u>442,000</u>	<u>443,000</u>	<u>474,859</u>	<u>31,859</u>
<b>Expenditures:</b>				
General government -				
Bank charges	150	150	-	150
Collection fees	5,465	3,700	3,388	312
Professional fees	17,510	18,490	15,604	2,886
Total general government	<u>23,125</u>	<u>22,340</u>	<u>18,992</u>	<u>3,348</u>
Public safety - police -				
Salaries	216,824	222,000	211,797	10,203
Supplemental pay	36,000	31,000	30,450	550
Worker's compensation	18,052	16,500	14,356	2,144
Payroll taxes and retirement	86,663	84,200	80,900	3,300
Miscellaneous	550	1,715	1,284	431
Total public safety	<u>358,089</u>	<u>355,415</u>	<u>338,787</u>	<u>16,628</u>
Total expenditures	<u>381,214</u>	<u>377,755</u>	<u>357,779</u>	<u>19,976</u>
Excess (deficiency) of revenues over expenditures	60,786	65,245	117,080	51,835
<b>Other financing use:</b>				
Transfers out	-	-	-	-
Net change in fund balance	60,786	65,245	117,080	51,835
Fund balance, beginning	<u>614,689</u>	<u>614,689</u>	<u>614,689</u>	<u>-</u>
Fund balance, ending	<u>\$ 675,475</u>	<u>\$ 679,934</u>	<u>\$ 731,769</u>	<u>\$ 51,835</u>

See notes to required supplementary information.



TOWN OF ARNAUDVILLE, LOUISIANA  
1982 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule  
For the Year Ended June 30, 2024

	Budget		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 406,000	\$ 420,000	\$ 437,313	\$ 17,313
Miscellaneous	<u>14,705</u>	<u>24,805</u>	<u>26,198</u>	<u>1,393</u>
Total revenues	<u>420,705</u>	<u>444,805</u>	<u>463,511</u>	<u>18,706</u>
<b>Expenditures:</b>				
General government -				
Collection fees	5,465	3,700	3,388	312
Professional fees	<u>12,360</u>	<u>14,840</u>	<u>14,428</u>	<u>412</u>
Total general government	17,825	18,845	18,043	802
Streets -				
Utilities - street lighting	29,760	27,880	31,469	(3,589)
Culture and recreation -				
Park utilities	<u>4,025</u>	<u>4,025</u>	<u>4,006</u>	<u>19</u>
Total expenditures	<u>216,610</u>	<u>215,325</u>	<u>218,093</u>	<u>(2,768)</u>
Excess of revenues over expenditures	204,095	229,480	245,418	15,938
<b>Other financing uses:</b>				
Transfers out	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
Net change in fund balance	4,095	29,480	45,418	15,938
Fund balance, beginning	<u>828,230</u>	<u>828,230</u>	<u>828,230</u>	<u>-</u>
Fund balance, ending	<u>\$ 832,325</u>	<u>\$ 857,710</u>	<u>\$ 873,648</u>	<u>\$ 15,938</u>

See notes to required supplementary information.

TOWN OF ARNAUDVILLE, LOUISIANA

Schedule of Employer's Share of Net Pension Liability  
For the Year Ended June 30, 2024

Year Ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
<b>Municipal Employees' Retirement System:</b>					
2015	\$ 580,186	0.226066%	\$ 276,227	210.0%	73.99%
2016	818,381	0.318877%	364,059	224.8%	66.18%
2017	804,945	0.196390%	350,864	229.4%	62.11%
2018	647,405	0.154755%	281,051	230.4%	62.49%
2019	685,551	0.165565%	302,277	226.8%	63.94%
2020	778,058	0.186198%	344,688	225.7%	64.68%
2021	850,877	0.196807%	376,166	226.2%	64.52%
2022	529,442	0.190344%	376,916	140.5%	77.82%
2023	848,445	0.204285%	376,039	225.6%	67.87%
2024	617,288	0.168895%	340,600	181.2%	73.25%
<b>Municipal Police Employees' Retirement System:</b>					
2015	211,200	0.033759%	102,724	205.6%	75.10%
2016	339,524	0.054271%	115,860	293.0%	70.73%
2017	582,905	0.062191%	171,548	339.8%	66.04%
2018	516,204	0.059127%	174,955	295.0%	70.08%
2019	430,472	0.050919%	150,271	286.5%	71.89%
2020	307,605	0.033871%	105,028	292.9%	71.01%
2021	259,746	0.028104%	86,708	299.6%	70.94%
2022	182,193	0.034179%	104,271	174.7%	84.09%
2023	411,038	4.021200%	116,088	354.1%	70.80%
2024	710,378	0.067239%	227,780	311.9%	71.30%

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

*This schedule is intended to show information for 10 years.*

See notes to required supplementary information.

TOWN OF ARNAUDVILLE, LOUISIANA

Schedule of Employer Contributions  
For the Year Ended June 30, 2024

<u>Year Ended June 30,</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractual Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
<b>Municipal Employees' Retirement System:</b>					
2015	\$ 71,902	\$ 71,902	\$ -	\$ 364,059	19.75%
2016	69,296	69,296	-	350,864	19.75%
2017	63,939	63,939	-	281,051	22.75%
2018	111,142	111,142	-	302,277	36.77%
2019	89,619	89,619	-	344,688	26.00%
2020	104,386	104,386	-	376,166	27.75%
2021	111,142	111,142	-	376,916	29.49%
2022	114,749	114,749	-	376,039	30.52%
2023	100,285	100,285	-	340,600	29.44%
2024	94,182	94,182	-	319,640	29.47%
<b>Municipal Police Employees' Retirement System:</b>					
2015	36,496	36,496	-	115,860	31.50%
2016	50,607	50,607	-	171,548	29.50%
2017	55,548	55,548	-	174,955	31.75%
2018	46,208	46,208	-	150,271	30.75%
2019	33,872	33,872	-	105,028	32.25%
2020	28,180	28,180	-	86,708	32.50%
2021	35,192	35,192	-	104,271	33.75%
2022	37,401	37,401	-	116,088	32.22%
2023	71,224	71,224	-	227,780	31.27%
2024	107,800	107,800	-	318,775	33.82%

*This schedule is intended to show information for 10 years.*

See notes to required supplementary information.

TOWN OF ARNAUDVILLE, LOUISIANA

Notes to the Required Supplementary Information  
For the Year Ended June 30, 2023

(1) Budget and Budgetary Accounting

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

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

(2) Pension Plans

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

(3) Excess of Expenditures Over Appropriations

For the year ended June 30, 2024, the following funds had actual expenditures over appropriations, at the functional level, as follows:

Fund and Function	Budget	Actual	Excess
General Fund:			
Community center	16,261	16,684	(423)
Capital outlay	42,719	43,190	(471)

**OTHER SUPPLEMENTARY INFORMATION**

TOWN OF ARNAUDVILLE, LOUISIANA

Statement of Net Position  
 June 30, 2024  
 With Comparative Totals for June 30, 2023

	2024			2023 Total
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Current assets:				
Cash and interest-bearing demand deposits	\$ 1,434,744	\$ 1,095,940	\$ 2,530,684	\$ 2,323,220
Interest-bearing time deposits	524,532	1,069,792	1,594,324	1,563,299
Receivables, net	31,945	148,059	180,004	138,432
Internal balances	49,210	(49,210)	-	-
Due from other governmental units	78,503	-	78,503	80,867
Prepaid items	17,983	20,022	38,005	54,859
Total current assets	<u>2,136,917</u>	<u>2,284,603</u>	<u>4,421,520</u>	<u>4,160,677</u>
Noncurrent assets:				
Restricted assets:				
Cash and interest-bearing demand deposits	-	68,642	68,642	66,842
Capital assets, net	2,349,212	4,358,220	6,707,432	6,851,185
Total noncurrent assets	<u>2,349,212</u>	<u>4,426,862</u>	<u>6,776,074</u>	<u>6,918,027</u>
Total assets	<u>4,486,129</u>	<u>6,711,465</u>	<u>11,197,594</u>	<u>11,078,704</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>508,950</u>	<u>120,147</u>	<u>629,097</u>	<u>503,952</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts, salaries and other payables	38,795	79,577	118,372	204,767
Unearned revenue	-	-	-	64,828
Customers' deposits payable	-	68,642	68,642	66,842
Total current liabilities	<u>38,795</u>	<u>148,219</u>	<u>187,014</u>	<u>336,437</u>
Noncurrent liabilities:				
Compensated absences	18,254	9,716	27,970	28,791
Net pension liability	919,647	408,019	1,327,666	1,259,484
Total noncurrent liabilities	<u>937,901</u>	<u>417,735</u>	<u>1,355,636</u>	<u>1,288,275</u>
Total liabilities	<u>976,696</u>	<u>565,954</u>	<u>1,542,650</u>	<u>1,624,712</u>
DEFERRED INFLOWS OF RESOURCES	<u>29,670</u>	<u>57,267</u>	<u>86,937</u>	<u>29,815</u>
<b>NET POSITION</b>				
Net investment in capital assets	2,349,212	4,312,720	6,661,932	6,760,185
Restricted for sales tax dedications	1,605,417	-	1,605,417	1,442,919
Unrestricted	34,084	1,895,671	1,929,755	1,725,025
Total net position	<u>\$ 3,988,713</u>	<u>\$ 6,208,391</u>	<u>\$ 10,197,104</u>	<u>\$ 9,928,129</u>

TOWN OF ARNAUDVILLE, LOUISIANA

Balance Sheet  
 General and Special Revenue Funds  
 June 30, 2024  
 With Comparative Amounts for June 30, 2023

	General		1969 Sales Tax Special Revenue		1982 Sales Tax Special Revenue	
	2024	2023	2024	2023	2024	2023
<b>ASSETS</b>						
Cash and interest-bearing demand deposits	\$ 243,746	\$ 654,525	\$ 469,585	\$ 402,315	\$ 707,582	\$ 680,417
Interest-bearing time deposits	-	-	239,350	235,298	123,328	122,676
Receivables:						
Other	25,258	14,562	41	41	-	-
Interest	-	-	3,251	219	2,540	170
Due from other governmental units	2,679	3,311	37,912	38,778	37,912	38,778
Due from other funds	-	71,738	-	14,209	3,080	398
Other	-	-	-	-	-	-
Prepaid items	17,983	24,852	-	-	-	-
Total assets	<u>\$ 289,666</u>	<u>\$ 768,988</u>	<u>\$ 750,139</u>	<u>\$ 690,860</u>	<u>\$ 874,442</u>	<u>\$ 842,439</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 22,711	\$ 30,922	\$ 15,290	\$ 60,615	\$ 794	\$ -
Contracts payable	-	-	-	-	-	-
Retainage payable	-	-	-	-	-	-
Unearned revenue	-	64,828	-	-	-	-
Due to other funds	-	398	3,080	15,556	-	14,209
Total liabilities	<u>22,711</u>	<u>96,148</u>	<u>18,370</u>	<u>76,171</u>	<u>794</u>	<u>14,209</u>
Fund balances -						
Nonspendable (prepaid items)	17,983	24,852	-	-	-	-
Restricted:						
Sales tax dedications	-	-	731,769	614,689	873,648	828,230
Unassigned	248,972	647,988	-	-	-	-
Total fund balances	<u>266,955</u>	<u>672,840</u>	<u>731,769</u>	<u>614,689</u>	<u>873,648</u>	<u>828,230</u>
Total liabilities and fund balances	<u>\$ 289,666</u>	<u>\$ 768,988</u>	<u>\$ 750,139</u>	<u>\$ 690,860</u>	<u>\$ 874,442</u>	<u>\$ 842,439</u>

TOWN OF ARNAUDVILLE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Revenues  
For the Year Ended June 30, 2024  
With Comparative Actual Amounts for the Year Ended June 30, 2023

	2024		Actual	Variance with Final Budget Positive (Negative)	2023 Actual
	Budget				
	Original	Final			
<b>Taxes:</b>					
Ad valorem	\$ 45,591	\$ 44,052	\$ 44,867	\$ 815	\$ 46,308
Payment in lieu of taxes	-	4,452	4,452	-	9,248
Franchise - electric, TV, etc.	82,257	68,722	69,638	916	64,312
<b>Total taxes</b>	<u>127,848</u>	<u>117,226</u>	<u>118,957</u>	<u>1,731</u>	<u>119,868</u>
Occupational licenses	<u>110,455</u>	<u>95,743</u>	<u>122,135</u>	<u>26,392</u>	<u>115,408</u>
<b>Intergovernmental:</b>					
Federal grant - ARPA	72,350	64,828	64,828	-	322,353
State of Louisiana -					
Highway maintenance revenue	3,590	3,500	4,488	988	3,590
Beer taxes	3,965	3,335	3,338	3	3,941
Poker machines	29,840	31,225	32,536	1,311	29,812
<b>Total intergovernmental</b>	<u>109,745</u>	<u>102,888</u>	<u>105,190</u>	<u>2,302</u>	<u>359,696</u>
Fines and forfeits	<u>14,570</u>	<u>47,100</u>	<u>42,774</u>	<u>(4,326)</u>	<u>15,144</u>
<b>Miscellaneous:</b>					
Rent income	15,820	16,450	17,858	1,408	17,150
Recreation department income	20,355	15,340	24,865	9,525	24,202
Gain on sale of assets	21,000	39,983	39,983	-	3,211
Miscellaneous	10,000	801	1,055	254	12,667
<b>Total miscellaneous</b>	<u>67,175</u>	<u>72,574</u>	<u>83,761</u>	<u>11,187</u>	<u>57,230</u>
<b>Total revenues</b>	<u>\$429,793</u>	<u>\$ 435,531</u>	<u>\$472,817</u>	<u>\$ 37,286</u>	<u>\$667,346</u>



TOWN OF ARNAUDVILLE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures  
For the Year Ended June 30, 2024  
With Comparative Actual Amounts for the Year Ended June 30, 2023

	2024			Variance with Final Budget Positive (Negative)	2023 Actual
	Actual		Actual		
	Original	Final			
Current:					
General government -					
Council salaries	\$ 27,000	\$ 25,000	\$ 25,200	\$ (200)	\$ 20,920
Mayor's compensation	25,002	25,000	25,000	-	15,417
Clerk and other salaries	63,123	63,487	61,605	1,882	75,321
Payroll taxes and retirement	26,510	26,510	26,171	339	24,786
Worker's compensation insurance	755	600	401	199	1,653
Insurance	56,145	69,113	56,414	12,699	47,905
Utilities	12,615	12,443	11,840	603	13,315
Telephone	13,000	12,800	12,132	668	12,732
Professional fees	46,170	47,730	47,345	385	39,967
Computer related fees and software	2,030	2,750	4,530	(1,780)	3,635
Office supplies	6,600	5,600	6,590	(990)	549
Meetings and conventions	4,265	2,600	5,013	(2,413)	3,550
Travel	1,440	1,791	1,718	73	-
Dues	4,200	2,150	2,001	149	-
Tax roll and assessor's fee	2,777	2,863	2,863	-	2,777
Coffee and cokes	500	500	-	500	127
Coroner/medical	3,360	1,600	1,700	(100)	3,000
Repairs and maintenance	9,500	5,055	7,766	(2,711)	9,503
Miscellaneous	11,840	14,500	16,000	(1,500)	16,750
Postage	2,560	4,005	4,156	(151)	3,289
Total general government	<u>319,392</u>	<u>326,097</u>	<u>318,445</u>	<u>7,652</u>	<u>295,196</u>
Public safety - police -					
Salaries	152,610	136,000	125,783	10,217	130,991
Payroll taxes and retirement	49,737	42,470	40,854	1,616	31,425
Worker's compensation insurance	1,985	800	656	144	-
Insurance	970	1,194	2,393	(1,199)	824
Supplies	12,275	10,000	6,912	3,088	10,141
Prisoners meals and medical	1,000	1,000	402	598	254
Uniforms	3,000	2,500	2,252	248	4,095
Auto expenditures	33,755	48,078	54,331	(6,253)	38,580
Telephone	8,000	10,540	10,726	(186)	7,699
Repairs and maintenance	3,500	3,500	4,680	(1,180)	4,862
Miscellaneous	11,810	11,016	7,197	3,819	8,458
Training	-	-	-	-	2,786
Total public safety - police	<u>278,642</u>	<u>267,098</u>	<u>256,186</u>	<u>10,912</u>	<u>240,115</u>

(continued)

TOWN OF ARNAUDVILLE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)  
For the Year Ended June 30, 2024  
With Comparative Actual Amounts for the Year Ended June 30, 2023

	2024		Actual	Variance with Final Budget Positive (Negative)	2023 Actual
	Budget				
	Original	Final			
Streets -					
Supplies	2,040	4,513	3,555	958	2,543
Equipment and street maintenance	12,000	7,900	7,660	240	31,291
Miscellaneous	-	100	96	4	1,251
Total streets	<u>14,040</u>	<u>12,513</u>	<u>11,311</u>	<u>1,202</u>	<u>35,085</u>
Community center -					
Supplies	50	760	581	179	43
Repairs and maintenance	3,000	3,200	3,270	(70)	2,323
Utilities	9,945	10,800	10,956	(156)	9,790
Miscellaneous	-	1,501	1,877	(376)	-
Total community center	<u>12,995</u>	<u>16,261</u>	<u>16,684</u>	<u>(423)</u>	<u>12,156</u>
Parks and recreation -					
Coach's salary	14,400	14,400	13,932	468	14,400
Payroll taxes	1,102	1,102	1,102	-	1,102
Worker's compensation insurance	875	800	763	37	956
Repairs and maintenance	9,000	11,071	13,322	(2,251)	8,415
Uniforms and supplies	19,285	19,285	14,719	4,566	16,017
Equipment	405	2,470	1,105	1,365	6,839
Insurance	1,775	2,185	420	1,765	1,513
Miscellaneous	2,560	2,680	1,215	1,465	577
Total parks and recreation	<u>49,402</u>	<u>53,993</u>	<u>46,578</u>	<u>7,415</u>	<u>49,819</u>
Capital outlay:					
General government -					
Equipment	9,700	17,809	26,676	(8,867)	10,494
Police -					
Equipment	-	5,143	5,143	-	4,827
Vehicles	-	11,371	11,371	-	-
Streets -					
Drainage improvements	-	872	-	872	-
Infrastructure	5,000	6,771	-	6,771	9,940
Parks and recreation -					
Infrastructure	-	753	-	753	-
Total capital outlay	<u>14,700</u>	<u>42,719</u>	<u>43,190</u>	<u>(471)</u>	<u>25,261</u>
Total expenditures	<u>\$ 689,171</u>	<u>\$ 718,681</u>	<u>\$ 692,394</u>	<u>\$ 26,287</u>	<u>\$ 657,632</u>

TOWN OF ARNAUDVILLE, LOUISIANA  
1969 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule  
For the Year Ended June 30, 2024  
With Comparative Actual Amounts for the Year Ended June 30, 2023

	2024			Variance with Final Budget Positive (Negative)	2023 Actual
	Budget		Actual		
	Original	Final			
<b>Revenues:</b>					
Taxes	\$ 406,000	\$ 420,000	\$ 437,324	\$ 17,324	\$ 420,130
Intergovernmental	36,000	23,000	30,450	7,450	17,450
Miscellaneous	-	-	7,085	7,085	8,716
Total revenues	<u>442,000</u>	<u>443,000</u>	<u>474,859</u>	<u>31,859</u>	<u>446,296</u>
<b>Expenditures:</b>					
General government -					
Bank charges	150	150	-	150	-
Collection fees	5,465	3,700	3,388	312	4,096
Professional fees	17,510	18,490	15,604	2,886	17,422
Total general government	<u>23,125</u>	<u>22,340</u>	<u>18,992</u>	<u>3,348</u>	<u>21,518</u>
Public safety -					
Police					
Salaries	216,824	222,000	211,797	10,203	209,736
Supplemental pay	36,000	31,000	30,450	550	17,450
Worker's compensation	18,052	16,500	14,356	2,144	18,348
Payroll taxes and retirement	86,663	84,200	80,900	3,300	59,790
Contract labor	-	-	-	-	6,360
Miscellaneous	550	1,715	1,284	431	551
Total public safety	<u>358,089</u>	<u>355,415</u>	<u>338,787</u>	<u>16,628</u>	<u>312,235</u>
Capital outlay	55,000	-	-	-	86,645
Total expenditures	<u>436,214</u>	<u>377,755</u>	<u>357,779</u>	<u>19,976</u>	<u>420,398</u>
Excess (deficiency) of revenues over expenditures	5,786	65,245	117,080	51,835	25,898
<b>Other financing sources (uses):</b>					
Transfers out	-	-	-	-	(8,200)
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,200)</u>
Net change in fund balance	5,786	65,245	117,080	51,835	17,698
Fund balance, beginning	614,689	614,689	614,689	-	596,991
Fund balance, ending	<u>\$ 620,475</u>	<u>\$ 679,934</u>	<u>\$ 731,769</u>	<u>\$ 51,835</u>	<u>\$ 614,689</u>

TOWN OF ARNAUDVILLE, LOUISIANA  
1982 Sales Tax Special Revenue Fund

Budgetary Comparison Schedule  
For the Year Ended June 30, 2024  
With Comparative Actual Amounts for the Year Ended June 30, 2023

	2024		Actual	Variance with Final Budget	
	Budget			Positive	2023
	Original	Final		(Negative)	Actual
<b>Revenues:</b>					
Taxes	\$ 406,000	\$ 420,000	\$ 437,313	\$ 17,313	\$ 420,131
Miscellaneous	14,705	24,805	26,198	1,393	9,275
Total revenues	<u>420,705</u>	<u>444,805</u>	<u>463,511</u>	<u>18,706</u>	<u>429,406</u>
<b>Expenditures:</b>					
General government -					
Bank charges	-	305	227	78	-
Collection fees	5,465	3,700	3,388	312	4,096
Professional fees	12,360	14,840	14,428	412	12,298
Total general government	<u>17,825</u>	<u>18,540</u>	<u>18,043</u>	<u>802</u>	<u>16,394</u>
Streets	29,760	27,880	31,469	(3,589)	32,601
Culture and recreation	4,025	4,025	4,006	19	4,308
Capital outlay	<u>165,000</u>	<u>164,575</u>	<u>164,575</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>216,610</u>	<u>215,020</u>	<u>218,093</u>	<u>(2,768)</u>	<u>53,303</u>
Excess (deficiency) of revenues over expenditures	204,095	229,785	245,418	15,938	376,103
<b>Other financing sources (uses):</b>					
Transfers out	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>	<u>(191,800)</u>
Net change in fund balance	4,095	29,785	45,418	15,938	184,303
Fund balance, beginning	<u>828,230</u>	<u>828,230</u>	<u>828,230</u>	<u>-</u>	<u>643,927</u>
Fund balance, ending	<u>\$ 832,325</u>	<u>\$ 858,015</u>	<u>\$ 873,648</u>	<u>\$ 15,938</u>	<u>\$ 828,230</u>

TOWN OF ARNAUDVILLE, LOUISIANA  
Street Improvement Fund

Budgetary Comparison Schedule  
For the Year Ended June 30, 2024  
With Comparative Actual Amounts for the Year Ended June 30, 2023

	2024				
	Budget		Actual	Variance with Final Budget Positive (Negative)	2023 Actual
	Original	Final			
Revenues:					
Miscellaneous	\$ 100	\$ 100	\$ 69	\$ (31)	\$ 30
Expenditures	-	-	-	-	-
Excess of revenues over expenditures	100	100	69	(31)	30
Other financing uses:					
Transfers in	-	-	-	-	-
Net change in fund balance	100	100	69	(31)	30
Fund balance, beginning	<u>13,759</u>	<u>13,759</u>	<u>13,759</u>	-	<u>13,729</u>
Fund balance, ending	<u>\$ 13,859</u>	<u>\$ 13,859</u>	<u>\$ 13,828</u>	<u>\$ (31)</u>	<u>\$ 13,759</u>

TOWN OF ARNAUDVILLE, LOUISIANA  
2% Set Aside Fund

Budgetary Comparison Schedule  
For the Year Ended June 30, 2024  
With Comparative Actual Amounts for the Year Ended June 30, 2023

	2024			Variance with Final Budget Positive (Negative)	2023 Actual
	Budget		Actual		
	Original	Final			
Revenues:					
Miscellaneous	\$ 90	\$ 90	\$ 2,775	\$ 2,685	\$ 140
Expenditures:					
Capital outlay	-	-	-	-	-
Excess (deficiency) of revenues over expenditures	<u>90</u>	<u>90</u>	<u>2,775</u>	<u>2,685</u>	<u>140</u>
Other financing sources (uses):					
Transfers in	<u>52,748</u>	<u>50,150</u>	<u>56,812</u>	<u>6,662</u>	<u>45,146</u>
Total other financing sources (uses)	<u>52,748</u>	<u>50,150</u>	<u>56,812</u>	<u>6,662</u>	<u>45,146</u>
Net change in fund balance	52,838	50,240	59,587	9,347	45,286
Fund balance, beginning	<u>152,332</u>	<u>152,332</u>	<u>152,332</u>	-	<u>107,046</u>
Fund balance, ending	<u>\$205,170</u>	<u>\$202,572</u>	<u>\$211,919</u>	<u>\$ 9,347</u>	<u>\$152,332</u>

TOWN OF ARNAUDVILLE, LOUISIANA  
LCDBG Grant Projects Fund

Budgetary Comparison Schedule  
For the Year Ended June 30, 2024  
With Comparative Actual Amounts for the Year Ended June 30, 2023

	2024			Variance with Final Budget Positive (Negative)	2023
	Budget		Actual		
	Original	Final			
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures	-	-	-	-	-
Net change in fund balance	-	-	-	-	-
Fund balance, beginning	3	3	3	-	3
Fund balance, ending	\$ 3	\$ 3	\$ 3	\$ -	\$ 3

TOWN OF ARNAUDVILLE, LOUISIANA  
Enterprise Fund  
Utility Fund

Comparative Departmental Statement of Revenues and Expenses  
Years Ended June 30, 2024 and 2023

	Totals		Gas	
	2024	2023	2024	2023
Operating revenues:				
Charges for services -				
Billings to customers	\$ 1,080,204	\$ 1,014,571	\$ 346,628	\$ 363,204
Delinquent charges	30,735	27,475	15,484	15,071
Other fees	22,826	19,691	6,270	13,374
Total operating revenues	<u>1,133,765</u>	<u>1,061,737</u>	<u>368,382</u>	<u>391,649</u>
Operating expenses:				
Salaries	238,860	267,866	40,844	68,958
Payroll taxes and retirement	45,368	100,395	5,758	19,920
Gas purchases	64,078	105,351	64,078	105,351
Supplies, repairs and maintenance	228,596	242,797	82,591	82,939
Professional fees	22,370	32,792	706	3,074
Telephone	6,849	4,782	5,432	3,224
Depreciation	323,229	312,552	17,563	15,850
Insurance	97,172	64,452	31,399	19,311
Utilities	37,089	41,366	2,707	2,216
Fire department expense	3,328	3,072	-	-
Office supplies	14,996	11,692	-	-
Miscellaneous	12,197	37,482	10,438	11,086
Allocation of administrative expense	-	-	63,397	65,161
Total operating expenses	<u>1,094,132</u>	<u>1,224,599</u>	<u>324,913</u>	<u>397,090</u>
Operating income (loss)	<u>39,633</u>	<u>(162,862)</u>	<u>\$ 43,469</u>	<u>\$ (5,441)</u>
Nonoperating revenues (expenses):				
Non-employer pension contribution	8,398	9,456		
Interest income	35,736	2,237		
Ad valorem taxes/Housing Authority in lieu of taxes	53,918	64,235		
Interest expense	-	(980)		
Total nonoperating revenues (expenses)	<u>98,052</u>	<u>74,948</u>		
Income (loss) before contributions and transfers	<u>137,685</u>	<u>(87,914)</u>		
Capital contributions	<u>18,569</u>	<u>58,526</u>		
Transfers:				
Transfer from General Fund	386,308	-		
Transfer to 2% Set Aside Fund	<u>(56,812)</u>	<u>(45,146)</u>		
Total transfers	<u>329,496</u>	<u>(45,146)</u>		
Change in net position	485,750	(74,534)		
Net position, beginning	<u>5,722,641</u>	<u>5,797,175</u>		
Net position, ending	<u>\$ 6,208,391</u>	<u>\$ 5,722,641</u>		



Water		Sewer		Sanitation		Administration	
2024	2023	2024	2023	2024	2023	2024	2023
\$ 511,508	\$ 440,506	\$ 221,412	\$ 210,211	\$ 656	\$ 650	\$ -	\$ -
10,803	8,731	4,438	3,657	10	16	-	-
15,906	6,317	-	-	650	-	-	-
<u>538,217</u>	<u>455,554</u>	<u>225,850</u>	<u>213,868</u>	<u>1,316</u>	<u>666</u>	<u>-</u>	<u>-</u>
90,160	93,134	39,314	44,494	-	-	68,542	61,280
18,108	31,303	7,675	22,574	-	-	13,827	26,598
-	-	-	-	-	-	-	-
84,396	91,186	60,454	67,994	-	-	1,155	678
923	3,074	1,530	3,074	-	-	19,211	23,570
-	-	-	-	-	-	1,417	1,558
149,099	150,145	131,707	129,072	-	-	24,860	17,485
19,916	18,035	8,530	9,659	-	-	37,327	17,447
14,751	17,239	7,465	7,193	-	-	12,166	14,718
3,328	3,072	-	-	-	-	-	-
-	-	-	-	-	-	14,996	11,692
113	3,899	30	632	-	20,215	1,616	1,650
<u>92,625</u>	<u>75,810</u>	<u>38,868</u>	<u>35,595</u>	<u>226</u>	<u>110</u>	<u>(195,117)</u>	<u>(176,676)</u>
<u>473,419</u>	<u>486,897</u>	<u>295,573</u>	<u>320,287</u>	<u>226</u>	<u>20,325</u>	<u>-</u>	<u>-</u>
<u>\$ 64,798</u>	<u>\$ (31,343)</u>	<u>\$ (69,723)</u>	<u>\$ (106,419)</u>	<u>\$ 1,090</u>	<u>\$ (19,659)</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF ARNAUDVILLE, LOUISIANA  
Enterprise Fund  
Utility Fund

Schedule of Number of Utility Customers  
(Unaudited)  
June 30, 2024 and 2023

Records maintained by the Town indicated the following number of customers were being serviced during the months of June 30, 2023 and 2022:

<u>Department</u>	<u>2024</u>	<u>2023</u>
Gas (metered)	631	627
Water (metered)	1,278	1,269
Sewer	560	564
Sanitation	28	28

TOWN OF ARNAUDVILLE  
Justice System Funding Schedule - Collecting/Disbursing Entity  
Year Ended June 30, 2024

	First Six Month Period Ended 12/31/2023	Second Six Month Period Ended 6/30/2024
Beginning Balance of Amounts Collected	\$ 48	\$ 286
Add: Collections -		
Civil Fees	-	-
Bond Fees	225	100
Asset Forfeiture/Sale	-	-
Pre-Trial Diversion Program Fees	-	-
Criminal Court Costs/Fees	27,019	19,988
Criminal Fines - Contempt	-	-
Criminal Fines - Other	-	-
Restitution	-	-
Probation/Parole/Supervision Fees	-	-
Service/Collection Fees	-	-
Interest Earnings on Collected Balances	-	-
Other	-	-
Subtotal Collections	<u>27,244</u>	<u>20,088</u>
Less: Disbursements to Governments and Nonprofits -		
Acadiana Criminalistics Lab - Criminal Fines	224	120
Louisiana Commission on Law Enforcement - Criminal Fines	508	400
Louisiana State Treasurer CMIS - Criminal Fines	542	539
Louisiana Supreme Court - Criminal Fines	100	91
LA Dept of Health & Hospitals THI/SCI - Criminal Fines	465	565
Less: Amounts Retained by Collecting Agency		
Amounts "Self-Disbursed" to Collecting Agency - Criminal Fines Other	25,167	18,528
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies -		
Bond Fee Refunds	-	-
Subtotal Disbursements/Retainage	<u>27,006</u>	<u>20,243</u>
Ending Balance of Amounts Collected but not Disbursed/Retained	<u>\$ 286</u>	<u>\$ 131</u>

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

# KOLDER, SLAVEN & COMPANY, LLC

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Arnaudville, Louisiana (Town), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated September 5, 2024.

### Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Arnaudville, Louisiana's internal control over financial reporting (internal control) 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as items 2024-001 and 2024-002 that we consider to be material weaknesses.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and is described in the accompanying summary schedule of current and prior year findings and management's corrective action plan as item 2024-003.

### **Town of Arnaudville, Louisiana's Response to Findings**

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

### **Purpose of this Report**

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

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

Lafayette, Louisiana  
September 5, 2024

TOWN OF ARNAUDVILLE, LOUISIANA

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
Year Ended June 30, 2023

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

A. Internal Control Over Financial Reporting

**2024-001 Inadequate Segregation of Accounting Functions**

Fiscal year finding initially occurred: Unknown

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

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

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

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

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

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

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

TOWN OF ARNAUDVILLE, LOUISIANA

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
Year Ended June 30, 2023

**2024-002 Application of Generally Accepted Accounting Principles (GAAP)**

Fiscal year finding initially occurred: 2022

Condition: Management and staff lack the expertise and/or experience in the selection and application of generally accepted accounting principles, as applicable to governmental entities in the financial statement preparation process.

Criteria: The Town's internal control over financial reporting includes those policies and procedures that pertain to its ability to record, process, summarize, and report financial data consistent with the assertions embodied in the financial statement, including the ability of its management and staff to detect potential misstatements that may exist in the financial statements and related disclosures.

Cause: The Town does not have personnel with the necessary qualifications to perform this function.

Effect: Financial statements and related supporting transactions may reflect a material departure from generally accepted accounting principles.

Recommendation: The Town should either hire the personnel needed or outsource this task to ensure the financial statements and transactions are in accordance with GAAP.

Management's Corrective Action Plan: The Town has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP and determined that it is in the best interests of the Town to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.



TOWN OF ARNAUDVILLE, LOUISIANA

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
Year Ended June 30, 2023

B. Compliance and Other Matters Findings

**2024-002 Failure to Appraise Surplus Property**

Fiscal year finding initially occurred: 2024

Condition: The Town did not obtain a proper appraisal for abandoned real property that was put up for sealed bids by ordinance.

Criteria: In accordance with LA R. S. 33:4712 the Town should have obtained an appraisal for the abandoned property prior to advertising for bids and set a minimum bid based on the appraisal.

Cause: The Town determined that the property was not usable and therefore the cost versus the benefit of obtaining an appraisal would be greater than the bids.

Effect: Revised statutes concerning the sale of real property was not adhered to.

Recommendation: The Town should obtain proper appraisals for property that is deemed surplus prior to advertising for bids.

Management's Corrective Action Plan: The Town has established procedures to ensure that LA R.S. 33:4712 will be followed for any future sales of property.

TOWN OF ARNAUDVILLE, LOUISIANA

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
Year Ended June 30, 2023

Part II: Prior Year Findings

A. Internal Control Over Financial Reporting

**2023-001 Inadequate Segregation of Functions**

Fiscal year finding initially occurred: Unknown

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

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

Current Status: Unresolved. See item 2024-001.

**2023-002 Application of Generally Accepted Accounting Procedures (GAAP)**

Fiscal year finding initially occurred: 2022

Condition: Management and staff lack the expertise and/or experience in the selections and application of generally accepted accounting principles, as applicable to government entities in the financial statement preparation process.

Recommendation: The Town should either hire the personnel needed or outsource this task to ensure the financial statements and transactions are in accordance with GAAP.

Current Status: Unresolved. See item 2024-002.

B. Compliance Findings

There are no findings to report under this section.

**Town of Arnaudville**  
Arnaudville, Louisiana

**Agreed-Upon Procedures Report**

Year Ended June 30, 2024

# KOLDER, SLAVEN & COMPANY, LLC

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

Town of Arnaudville  
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2023 through June 30, 2024. The Town of Arnaudville (Town) is responsible for those C/C areas identified in the SAUPs.

The Town has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2023 through June 30, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### Written Policies and Procedures

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

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- h) **Credit Cards (and debit cards, fuel cards, Purchase Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

***Board or Finance Committee***

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- 2. We obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) Observed that the minutes referenced or included monthly budget-to-actual comparisons on the General Fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.
  - c) Obtained the prior year audit report and observed the unassigned fund balance in the General Fund. If the General Fund had a negative ending unassigned fund balance in the prior year audit report, observed that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the General Fund.
  - d) Observed the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

### ***Bank Reconciliations***

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3. We obtained a listing of the entity's bank accounts for the fiscal period from management and management's representation that the listing is complete. We asked management to identify the entity's main operating account. We selected the entity's main operating account and randomly selected 4 additional accounts (or all accounts if less than 5). We randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for selected accounts, and observed that:
  - a) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
  - b) Bank reconciliations included written evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and
  - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

### ***Collections (excluding electronic fund transfers)***

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4. We obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. We randomly selected 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, we obtained a listing of collection locations and management's representation that the listing is complete. We randomly selected one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquired of employees about their job duties) at each collection location, and observed that job duties are properly segregated at each collection location such that:
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. We obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. We observed the bond or insurance policy for theft was enforced during the fiscal period.

7. We randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* We obtained supporting documentation for each of the 10 deposits and:
  - a) Observed that receipts are sequentially pre-numbered.
  - b) Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Traced the deposit slip total to the actual deposit per the bank statement.
  - d) Observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
  - e) Traced the actual deposit per the bank statement to the general ledger.

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

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8. We obtained a listing of locations that process payments for the fiscal period and management’s representation that the listing was complete. We randomly selected 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, we obtained a listing of those employees involved with non-payroll purchasing and payment functions. We obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and we observed that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
  - e) Only employees/ officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
10. For each location selected under #8 above, we obtained the entity’s non-payroll disbursement transaction population (excluding cards and travel reimbursements) and we obtained management’s representation that the population is complete. We randomly selected 5 disbursements for each location, we obtained supporting documentation for each transaction and:
  - a) We observed whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
  - b) We observed that the disbursement documentation includes evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #9, as applicable.

11. Using the entity's main operating account and the month selected in "Bank Reconciliations" procedure #3, we randomly selected 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observed that each electronic disbursement was:
  - a) Approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy.
  - b) Approved by the required number of authorized signers per the entity's policy.

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

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

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

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15. We obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. We randomly selected 5 reimbursements, we obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
  - a) If reimbursed using a per diem, we observed the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, we observed that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) We observed that each reimbursement is supported by documentation of the business/public purpose (for meal charges, we observed that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1g).



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

### ***Contracts***

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- 16. We obtained from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* We obtained management's representation that the listing is complete. We randomly selected 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
  - a) We observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b) We observed that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
  - c) If the contract was amended (e.g., change order), we observed that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
  - d) We randomly selected one payment from the fiscal period for each of the 5 contracts, we obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agreed to the terms and conditions of the contract.

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

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- 17. We obtained a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. We randomly selected 5 employees/officials, we obtained related paid salaries and personnel files, and we agreed paid salaries to authorized salaries/pay rates in the personnel files.
- 18. We randomly selected one pay period during the fiscal period. For the 5 employees/officials selected under #17 above, we obtained attendance records and leave documentation for the pay period, and:
  - a) We observed that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
  - b) We observed that supervisors approved the attendance and leave of the selected employees/officials.
  - c) We observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
  - d) We observed the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
- 19. We obtained a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. We randomly selected two employees/officials, we obtained related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. We agreed the hours to the employee or officials' cumulate leave records, agreed the pay rates to the employee/officials' authorized pay rates in the employee or officials' personnel files, and agreed the termination payment to entity policy.
- 20. We obtained management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

***Ethics***

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21. Using the 5 randomly selected employees/officials from procedure #17 under “Payroll and Personnel” above, we obtained ethics documentation from management, and:
  - a) We observed that the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
  - b) We observed whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity’s ethics policy during the fiscal period, as applicable.
22. We inquired and/or observed whether the agency has appointed an ethics designee as required by R.S. 42:1170.

***Debt Service***

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23. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management’s representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
24. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management’s representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

***Fraud Notice***

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25. We obtained a listing of misappropriations of public funds and assets during the fiscal period and management’s representation that the listing was complete. We selected all misappropriations on the listing, obtained supporting documentation, and observed that the Town reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
26. Observed that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

***The Town represented there were no misappropriations of public funds nor assets FYE 2024.***

***Information Technology Disaster Recovery/Business Continuity***

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27. We performed the following procedures, **verbally discussed the results with management, and reported “We performed the procedure and discussed the results with management.”**
  - a) We obtained and inspected the entity’s most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observed evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.
  - b) We obtained and inspected the entity’s most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquired of personnel responsible for testing/verifying backup restoration) and observed evidence that the test/verification was successfully performed within the past 3 months.

- c) We obtained a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. We randomly selected 5 computers and observed while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
28. We randomly selected 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19 and observed evidence that the selected terminated employees have been removed or disabled from the network.
29. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #17, we obtained cybersecurity training documentation from management and observed that the documentation demonstrated that the employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
- Hired before June 9, 2020 – completed the training; and
  - Hired on or after June 9, 2020 – completed the training within 30 days of initial service or employment.

***Prevention of Sexual Harassment***

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30. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, we obtained sexual harassment training documentation from management, and observed the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
31. We observed the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
32. We obtained the entity's annual sexual harassment report for the current fiscal period, observed that the report was dated on or before February 1, and observed it includes the applicable requirements of R.S. 42:344:
- a) Number and percentage of public servants in the agency who have completed the training requirements;
  - b) Number of sexual harassment complaints received by the agency;
  - c) Number of complaints which resulted in a finding that sexual harassment occurred;
  - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - e) Amount of time it took to resolve each complaint.

**Exceptions:**

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

**Bank Reconciliation**

- 1. There was no evidence of management researching outstanding items greater than twelve months on one of the bank reconciliations.

**Collections**

2. One collection was not deposited within 1 business day of cash receipt.

**Non-Payroll Disbursements**

3. Multiple disbursement's documentation did not include evidence of segregation of duties.

**Management's Response:**

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Management concurs with the exceptions noted and is working to address the deficiencies identified.

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

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

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

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

Lafayette, Louisiana  
September 5, 2024