

TOWN OF DELCAMBRE, LOUISIANA

Financial Report

Year Ended April 30, 2020

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INDEPENDENT AUDITOR'S REPORT

The Honorable Pam Blakely, Mayor,
and Members of the Board of Aldermen
Town of Delcambre, Louisiana

Report on the Financial Statements

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 Delcambre (Town), Louisiana, as of and for the year ended April 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of April 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents, 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.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

The other supplementary information section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2020, on our consideration of the Town'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's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
October 26, 2020

BASIC FINANCIAL STATEMENTS

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

TOWN OF DELCAMBRE, LOUISIANA

Statement of Net Position

April 30, 2020

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and interest-bearing deposits	\$ 643,122	\$ 467,593	\$ 1,110,715
Receivables, net	46,128	57,249	103,377
Due from other governmental units	7,485	385,144	392,629
Prepaid expenses	16,270	1,427	17,697
Restricted assets -			
Cash and interest-bearing deposits	-	100,864	100,864
Capital assets -			
Non-depreciable	467,819	5,193,287	5,661,106
Depreciable, net of accumulated depreciation	<u>1,319,318</u>	<u>3,671,415</u>	<u>4,990,733</u>
Total assets	<u>2,500,142</u>	<u>9,876,979</u>	<u>12,377,121</u>
LIABILITIES			
Accounts and other payables	41,440	60,398	101,838
Contracts payable	-	134,267	134,267
Retainage payable	-	156,117	156,117
Accrued interest payable	96	55,527	55,623
Compensated absences payable	8,211	2,112	10,323
Customers' deposits	-	100,864	100,864
Internal balances	(92,535)	92,535	-
Long-term liabilities -			
Portion due or payable within one year -			
Revenue bonds payable	4,879	26,520	31,399
Portion due or payable after one year -			
Revenue bonds payable	<u>54,587</u>	<u>1,986,480</u>	<u>2,041,067</u>
Total liabilities	<u>16,678</u>	<u>2,614,820</u>	<u>2,631,498</u>
NET POSITION			
Net investment in capital assets	1,727,671	6,505,791	8,233,462
Restricted for tax dedications	725,871	-	725,871
Unrestricted	<u>29,922</u>	<u>756,368</u>	<u>786,290</u>
Total net position	<u>\$ 2,483,464</u>	<u>\$ 7,262,159</u>	<u>\$ 9,745,623</u>

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

TOWN OF DELCAMBRE, LOUISIANA

Statement of Activities
For the Year Ended April 30, 2020

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	\$ 179,183	\$ 167,277	\$ 10,200	\$ 7,485	\$ 5,779	\$ -	\$ 5,779
Public safety:							
Police	483,493	37,728	34,617	-	(411,148)	-	(411,148)
Fire	146,639	43,914	-	-	(102,725)	-	(102,725)
Public works	298,715	44,056	-	-	(254,659)	-	(254,659)
Total governmental activities	<u>1,108,030</u>	<u>292,975</u>	<u>44,817</u>	<u>7,485</u>	<u>(762,753)</u>	<u>-</u>	<u>(762,753)</u>
Business-type activities:							
Gas	230,639	136,009	-	-	-	(94,630)	(94,630)
Water	283,999	255,345	-	-	-	(28,654)	(28,654)
Sewer	306,369	224,070	-	1,094,428	-	1,012,129	1,012,129
Administrative	16,971	15,447	-	-	-	(1,524)	(1,524)
Interest and fiscal charges	55,527	-	-	-	-	(55,527)	(55,527)
Total business-type activities	<u>893,505</u>	<u>630,871</u>	<u>-</u>	<u>1,094,428</u>	<u>-</u>	<u>831,794</u>	<u>831,794</u>
Total	<u>\$ 2,001,535</u>	<u>\$ 923,846</u>	<u>\$ 44,817</u>	<u>\$ 1,101,913</u>	<u>(762,753)</u>	<u>831,794</u>	<u>69,041</u>
General revenues:							
Taxes -							
Property taxes, levied for general purposes					42,815	-	42,815
Sales and use taxes, levied for general purposes					272,519	-	272,519
Other taxes					36,358	-	36,358
Interest income					5,614	616	6,230
Miscellaneous					147,991	25,596	173,587
Loss on sale of capital assets					(1,060)	-	(1,060)
Transfers					203,750	(203,750)	-
Total general revenues and transfers					<u>707,987</u>	<u>(177,538)</u>	<u>530,449</u>
Change in net position					(54,766)	654,256	599,490
Net position - beginning					<u>2,538,230</u>	<u>6,607,903</u>	<u>9,146,133</u>
Net position - ending					<u>\$ 2,483,464</u>	<u>\$ 7,262,159</u>	<u>\$ 9,745,623</u>

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

FUND FINANCIAL STATEMENTS (FFS)

TOWN OF DELCAMBRE, LOUISIANA

Balance Sheet
Governmental Funds
April 30, 2020

	<u>General</u>	<u>Sales Tax</u>	<u>Special</u>	<u>Other Governmental Funds</u>	<u>Total</u>
ASSETS					
Cash	\$ 41,948	\$ 112,109	\$ 15,143	\$ 35,524	\$ 204,724
Interest-bearing deposits	-	334,607	103,791	-	438,398
Receivables:					
Sales tax	-	42,782	-	-	42,782
Due from other governmental units	7,485	-	-	-	7,485
Other	486	2,860	-	-	3,346
Due from other funds	76,062	55,773	111,066	-	242,901
Prepaid expenses	15,883	387	-	-	16,270
Total assets	<u>\$ 141,864</u>	<u>\$ 548,518</u>	<u>\$ 230,000</u>	<u>\$ 35,524</u>	<u>\$ 955,906</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 17,909	\$ 7,532	\$ 4,040	\$ -	\$ 29,481
Accrued expenses	9,532	1,796	631	-	11,959
Due to other funds	76,581	72,622	663	500	150,366
Total liabilities	<u>104,022</u>	<u>81,950</u>	<u>5,334</u>	<u>500</u>	<u>191,806</u>
Fund balances:					
Nonspendable	15,883	387	-	-	16,270
Restricted	-	466,181	224,666	35,024	725,871
Unassigned	21,959	-	-	-	21,959
Total fund balances	<u>37,842</u>	<u>466,568</u>	<u>224,666</u>	<u>35,024</u>	<u>764,100</u>
Total liabilities and fund balances	<u>\$ 141,864</u>	<u>\$ 548,518</u>	<u>\$ 230,000</u>	<u>\$ 35,524</u>	<u>\$ 955,906</u>

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

TOWN OF DELCAMBRE, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
April 30, 2020

Total fund balances for governmental funds	\$ 764,100
Capital assets, net	1,787,137
Long-term liabilities:	
Debt payable	(59,466)
Compensated absences	(8,211)
Accrued interest on debt	<u>(96)</u>
Net position of governmental activities	<u>\$ 2,483,464</u>

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

TOWN OF DELCAMBRE, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances -
 Governmental Funds
 For the Year Ended April 30, 2020

	General	Sales Tax	Special	Other Governmental Funds	Total
Revenues:					
Taxes	\$ 42,815	\$ 272,519	\$ 36,358	\$ -	\$ 351,692
Licenses and permits	81,347	-	-	-	81,347
Intergovernmental	-	10,415	43,914	-	54,329
Charges for services	85,930	33,641	-	-	119,571
Fines and forfeiture	37,728	-	-	-	37,728
Interest	122	4,101	1,386	5	5,614
Other	182,525	7,289	10,479	-	200,293
Total revenues	<u>430,467</u>	<u>327,965</u>	<u>92,137</u>	<u>5</u>	<u>850,574</u>
Expenditures:					
Current -					
General government	98,419	62,619	-	-	161,038
Public safety	469,092	-	92,172	-	561,264
Public works	49,710	201,994	-	-	251,704
Capital outlays	5,235	2,200	8,975	-	16,410
Debt service:					
Principal	4,697	-	-	-	4,697
Interest	2,629	-	-	-	2,629
Total expenditures	<u>629,782</u>	<u>266,813</u>	<u>101,147</u>	<u>-</u>	<u>997,742</u>
(Deficiency) excess of revenues over expenditures	(199,315)	61,152	(9,010)	5	(147,168)
Other financing (sources) uses:					
Transfers in	235,000	-	5,000	-	240,000
Transfers out	-	(36,250)	-	-	(36,250)
Total other financing sources (uses)	<u>235,000</u>	<u>(36,250)</u>	<u>5,000</u>	<u>-</u>	<u>203,750</u>
Net change in fund balances	35,685	24,902	(4,010)	5	56,582
Fund balances, beginning	<u>2,157</u>	<u>441,666</u>	<u>228,676</u>	<u>35,019</u>	<u>707,518</u>
Fund balances, ending	<u>\$ 37,842</u>	<u>\$ 466,568</u>	<u>\$ 224,666</u>	<u>\$ 35,024</u>	<u>\$ 764,100</u>

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

TOWN OF DELCAMBRE, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended April 30, 2020

Net change in fund balances of governmental funds		\$ 56,582
Capital assets:		
Capital outlay	\$ 16,410	
Loss on disposal of capital assets	(1,060)	
Depreciation expense	<u>(129,678)</u>	(114,328)
Principal payments on long term debt		4,697
Accrued compensated absences		<u>(1,717)</u>
Change in net position of governmental activities		<u>\$ (54,766)</u>

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

TOWN OF DELCAMBRE, LOUISIANA

Proprietary Fund
Statement of Net Position
April 30, 2020

ASSETS

Current assets:

Cash and interest bearing deposits	\$ 467,593
Accounts receivable, net of allowance	57,249
Due from other funds	73,122
Prepaid expenses	1,427
Due from other governmental units	385,144
Total current assets	<u>984,535</u>

Noncurrent assets:

Restricted assets -	
Cash	65,953
Interest-bearing deposits	34,911
Capital assets -	
Non-depreciable	5,193,287
Depreciable, net of accumulated depreciation	3,671,415
Total noncurrent assets	<u>8,965,566</u>
Total assets	<u>9,950,101</u>

LIABILITIES

Current liabilities:

Accounts payable	54,852
Compensated absences payable	2,112
Other payables	5,546
Revenue bonds payable	26,520
Accrued interest payable	55,527
Contract payable	134,267
Retainage payable	156,117
Due to other funds	165,657
Total current liabilities	<u>600,598</u>

Noncurrent liabilities:

Revenue bonds payable	1,986,480
Customers' deposits	100,864
Total liabilities	<u>2,687,942</u>

NET POSITION

Net investment in capital assets	6,505,791
Unrestricted	756,368
Total net position	<u>\$ 7,262,159</u>

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

TOWN OF DECAMBRE, LOUISIANA

Proprietary Fund
 Statement of Revenues, Expenses, and Changes in Net Position
 Year Ended April 30, 2020

Operating revenues:	
Charges for services	\$ 611,643
Miscellaneous	<u>19,228</u>
Total operating revenues	<u>630,871</u>
Operating expenses:	
Administrative expenses	16,971
Gas department expenses	182,457
Water department expenses	191,967
Sewerage department expenses	199,582
Depreciation	<u>247,001</u>
Total operating expenses	<u>837,978</u>
Operating loss	<u>(207,107)</u>
Nonoperating revenues (expenses):	
Grant revenues	1,094,428
Interest income	616
Other	25,596
Interest expense	<u>(55,527)</u>
Total nonoperating revenues	<u>1,065,113</u>
Income before transfers	858,006
Transfers out	<u>(203,750)</u>
Change in net position	654,256
Net position, beginning	<u>6,607,903</u>
Net position, ending	<u>\$7,262,159</u>

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

TOWN OF DELCAMBRE, LOUISIANA

Statement of Cash Flows
 Proprietary Fund
 For the Year Ended April 30, 2020

Cash flows from operating activities:	
Receipts from customers	\$ 628,310
Payments to suppliers	(462,926)
Payments to employees	(150,968)
Other receipts	<u>19,228</u>
Net cash provided by operating activities	<u>33,644</u>
Cash flows from noncapital financing activities:	
Payable from other funds	44,875
Other income	25,596
Transfers to other funds	<u>(203,750)</u>
Net cash used by noncapital financing activities	<u>(133,279)</u>
Cash flows from capital and related financing activities:	
Net meter deposits	6,000
Principal payment on bond anticipation notes	(1,610,400)
Proceeds from revenue bonds	2,013,000
Interest paid on short term debt	(10,506)
Acquisition of property, plant and equipment	(1,398,725)
Grants and other contributions received	<u>972,457</u>
Net cash used by capital and related financing activities	<u>(28,174)</u>
Cash flows from investing activities:	
Proceeds of investments and interest-bearing deposits with maturity in excess of ninety days	249,010
Purchase of investments and interest-bearing deposits with maturity in excess of ninety days	(244,911)
Interest on investments	<u>616</u>
Net cash provided by investing activities	<u>4,715</u>
Net change in cash and cash equivalents	(123,094)
Cash and cash equivalents, beginning of period	<u>446,640</u>
Cash and cash equivalents, end of period	<u>\$ 323,546</u>

(continued)

TOWN OF DELCAMBRE, LOUISIANA

Statement of Cash Flows (continued)

Proprietary Fund

Year Ended April 30, 2020

Cash flows from operating activities:	
Operating loss	\$ (207,107)
Adjustments to reconcile operating income to net cash provided by operating activities -	
Depreciation	247,001
(Increase) decrease in operating assets:	
Accounts receivable	16,667
Prepaid expenses	268
Increase (decrease) in operating liabilities:	
Accounts payable	11,665
Other payables	<u>(34,850)</u>
Net cash provided by operating activities	<u>\$ 33,644</u>
Cash and cash equivalents, beginning of period -	<u>\$ 446,640</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:	
Cash and cash equivalents, end of period -	
Cash and interest-bearing deposits - unrestricted	467,593
Cash and interest-bearing deposits - restricted	65,953
Interest-bearing deposits - restricted	34,911
Less: Interest-bearing deposits with a maturity in excess of 90 days	<u>(244,911)</u>
Total cash and cash equivalents	<u>323,546</u>
Net change	<u>\$ (123,094)</u>

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

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Town of Delcambre (Town) have been prepared in conformity with generally accepted accounting principles (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 subsection of this note.

A. Financial Reporting Entity

The Town was originally formed as a Village on November 27, 1907. On June 13, 1946, by issuance of the Governor's proclamation and under the provisions of the Lawrson Act, the Village of Delcambre, Louisiana, became the Town of Delcambre, Louisiana. The Town operates under a 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. The Town of Delcambre has no such component units.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the Town of Delcambre, the primary government, as a whole. They include all funds of the reporting entity, except fiduciary funds and component units that are fiduciary in nature. 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 DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

Fund Financial Statements

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

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

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

The major funds of the Town are described below:

Governmental Funds -

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

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

The Special Fund accounts for the collection and disbursements of funds used for fire protection for the Town.

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

Proprietary Funds -

Proprietary funds are used to account for ongoing organizations and activities that are similar to those often found in the private sector. The measurement focus is based upon determination of net income, financial position, and cash flows.

Utility Fund

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

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 DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

Basis of Accounting

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

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

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

Program revenues

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the Town's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Town's general revenues.

Allocation of indirect expenses

The Town reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions, but are reported separately in the Statement of Activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function. When not clearly identifiable with a function, interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

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

Cash and interest-bearing deposits

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Town. For the purpose of the proprietary fund statement of cash flows, "cash and cash

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

equivalents” include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less when purchased.

Investments

Under state law the Town may deposit funds with a fiscal agent 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 United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Interfund receivables and payables

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

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes. Business-type activities report customer’s utility service receivables as their major receivables.

Uncollectible ad valorem taxes or utility service receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. The Town has estimated that trade accounts receivable that have been unpaid for more than 90 days are uncollectible, and this amount has been established as the allowance for uncollectibles, based upon prior experience. The allowance for uncollectibles for customers’ utility receivables was \$35,111.

Property taxes are levied on October 1 on property values assessed on that date. Notices of tax liability are mailed on or about November 1 of the same year and are due and payable at that time. All unpaid taxes levied become delinquent January 1 of the following year. Property tax revenues are recognized when levied to the extent that they result in current receivables. Current receivables include those property tax receivables expected to be collected within sixty days after year end.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond the end of the Town’s fiscal year are recorded as prepaid items.

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide or financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town maintains a threshold level of \$1,500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Prior to January 1, 2003, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. Land and construction in progress are not depreciated. The range of estimated useful lives by type of asset is as follows:

Buildings	20-40 years
Improvements other than buildings	20-40 years
Autos and trucks	5-7 years
Other equipment	5-7 years
Gas system	20-40 years
Water system	10-40 years
Sewer system	20-40 years

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

Compensated Absences

All employees in the classified service shall receive one-half (1/2) day of sick leave for each calendar month of service up to a maximum of 21 days overall.

Vacation is earned by full-time employees based upon length of service ranging from 5 days to 20 days. One week of vacation time may be carried over from one anniversary year to the next. All accumulated sick leave shall be forfeited upon termination of employment.

For fund financial statements, earned vacation leave is reported as an expenditure and a current fund liability of the fund that will pay it. In the government-wide statements, amounts vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are recorded as a liability.

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

Restricted Assets

Restricted assets include cash and interest-bearing deposits of the proprietary fund that are legally restricted as to their use.

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 revenue bonds 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 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 addition to assets, the statement of net position and or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position and or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Equity Classifications

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

- b. Restricted net position – Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

Proprietary fund equity is classified the same as in the government-wide statements. In the fund financial statements, governmental fund equity is classified as fund balance.

Fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form (such as inventories and prepaid amounts) or because they are legally or contractually required to be maintained intact.

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.

Committed – amounts that can be spent only for specific purposes determined by a formal action of the government's highest level of decision-making authority.

Assigned – amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.

Unassigned – all other spendable amounts

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

Fund balances are composed of the following:

	General Fund	Sales Tax Fund	Special Fund	Nonmajor Fund	Total Governmental Funds
Nonspendable:					
Prepaid items	\$ 15,883	\$ 387	\$ -	\$ -	\$ 16,270
Restricted:					
Fire protection	-	-	224,666	-	224,666
Public works and building operations and maintenance	-	466,181	-	-	466,181
Youth recreation	-	-	-	30,475	30,475
Other	-	-	-	4,549	4,549
Unassigned:	21,959	-	-	-	21,959
Total fund balances	<u>\$ 37,842</u>	<u>\$ 466,568</u>	<u>\$ 224,666</u>	<u>\$ 35,024</u>	<u>\$ 764,100</u>

When an expenditure is incurred for 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 Board members have provided otherwise in its commitment or assignment actions.

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.

Expenditures/Expenses

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

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

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

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

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

Interfund Transfers

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

F. Revenue Restrictions

The Town has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue source includes a one percent sales and use tax levied by the Town which is dedicated to opening, constructing, paving, resurfacing and improving streets, sidewalks, bridges, drains, and drainage canals; constructing and purchasing street light facilities, fire and police department stations and equipment, garbage disposal and health and sanitation equipment and facilities, public buildings and recreational facilities and acquiring the necessary equipment and furnishings thereof; and paying for the costs of operating and maintaining public buildings, streets, bridges, drainage, lighting, facilities, and fire, police and health and sanitation departments.

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

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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(2) Cash and Interest-Bearing Deposits

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

These deposits are stated at cost, which approximates market. 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. The Town does not have a policy for custodial credit risk; however, under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the pledging financial institution. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the financial institution. These

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

securities are held in the name of the pledging financial institution in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) are secured as follows:

Bank balances	<u>\$ 1,268,488</u>
The Town's deposits are secured as follows:	
Insured deposits	886,208
Uninsured and collateral held by the pledging bank, not in the Town's name	<u>382,280</u>
Total	<u>\$ 1,268,488</u>

(3) Aged Accounts Receivable

The aging of enterprise fund accounts receivable before allowance for doubtful accounts is as follows:

Current	\$ 56,983
Over 30 days	61
Over 60 days	205
Over 90 days	<u>35,111</u>
Total	<u>\$ 92,360</u>

(4) Restricted Assets - Proprietary Fund Type (Enterprise Utility Fund)

Restricted assets consisted of customer deposits of \$100,864.

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

(5) Capital Assets

Capital asset activity was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 467,819	\$ -	\$ -	\$ 467,819
Other capital assets:				
Buildings	572,176	8,975	13,660	567,491
Improvements other than buildings	1,821,863	-	-	1,821,863
Autos and trucks	836,580	-	-	836,580
Other equipment	436,863	7,435	27,996	416,302
Totals	<u>4,135,301</u>	<u>16,410</u>	<u>41,656</u>	<u>4,110,055</u>
Less accumulated depreciation				
Buildings	366,558	16,632	12,600	370,590
Improvements other than buildings	767,915	51,571	-	819,486
Autos and trucks	697,316	53,099	-	750,415
Other equipment	402,047	8,376	27,996	382,427
Total accumulated depreciation	<u>2,233,836</u>	<u>129,678</u>	<u>40,596</u>	<u>2,322,918</u>
Governmental activities, capital assets, net	<u>\$ 1,901,465</u>	<u>\$ (113,268)</u>	<u>\$ 1,060</u>	<u>\$ 1,787,137</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 1,644,182	\$ -	\$ -	\$ 1,644,182
Construction in progress	2,230,299	1,318,806	-	3,549,105
Other capital assets:				
Gas system	1,945,692	-	-	1,945,692
Water system	3,316,344	-	-	3,316,344
Sewer system	3,292,907	13,500	-	3,306,407
Other equipment	144,383	26,366	41,792	128,957
Totals	<u>12,573,807</u>	<u>1,358,672</u>	<u>41,792</u>	<u>13,890,687</u>
Less accumulated depreciation				
Gas system	1,131,078	47,890	-	1,178,968
Water system	1,838,099	91,739	-	1,929,838
Sewer system	1,709,923	106,008	-	1,815,931
Other equipment	141,676	1,364	41,792	101,248
Total accumulated depreciation	<u>4,820,776</u>	<u>247,001</u>	<u>41,792</u>	<u>5,025,985</u>
Business-type activities, capital assets, net	<u>\$ 7,753,031</u>	<u>\$ 1,111,671</u>	<u>\$ -</u>	<u>\$ 8,864,702</u>

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

Depreciation expense was charged to governmental activities as follows:

General government	\$ 15,183
Public safety	68,268
Public works	<u>46,227</u>
Total depreciation expense	<u>\$129,678</u>

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

Gas	\$ 47,890
Water	91,739
Sewer	106,008
Other equipment	<u>1,364</u>
Total depreciation expense	<u>\$ 247,001</u>

(6) On-behalf Payments

The Town has recognized \$34,617 as a revenue and an expenditure for on-behalf salary payments made by the State of Louisiana.

(7) Changes in Long-Term Debt

Long term liabilities at April 30, 2020 are comprised of the following individual issues:

Governmental activities –

Notes payable:

Notes payable to USDA Rural Development, dated May 18, 2005, original amount of \$110,000, bearing interest of 4.25%, maturing on May 18, 2030. \$ 59,466

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

Business-type activities –

Revenue bond payable:

\$1,722,000 Water revenue Bonds, Series 2020, issued May 16, 2019, due in monthly installments of \$6,010 over forty years through 2059; interest at 2.75% \$ 1,722,000

\$291,000 Water revenue Bonds, Series 2020, issued May 16, 2019, due in monthly installments of \$1,077 over forty years through 2059; interest at 3.125% \$ 291,000

The annual requirement to amortize all debt outstanding is as follows:

Year Ending April 30,	Governmental Activities		Business-type Activities		Total
	Principal payments	Interest payments	Principal payments	Interest payments	
2021	4,879	2,448	26,520	106,964	140,811
2022	5,090	2,236	29,717	55,327	92,370
2023	5,311	2,016	30,560	54,484	92,371
2024	5,540	1,785	31,428	53,617	92,370
2025	31,521	5,109	32,319	52,725	121,674
2026 to 2030	7,125	180	175,882	249,338	432,525
2031 to 2035	-	-	202,299	222,921	425,220
2036 to 2040	-	-	232,693	192,527	425,220
2041 to 2045	-	-	267,664	157,556	425,220
2046 to 2050	-	-	307,904	117,316	425,220
2051 to 2055	-	-	354,210	71,010	425,220
2056 to 2060	-	-	321,804	18,797	340,601
Totals	<u>\$ 59,466</u>	<u>\$ 13,774</u>	<u>\$2,013,000</u>	<u>\$ 1,352,582</u>	<u>\$ 3,438,822</u>

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

The following is a summary of changes in long-term debt of the Town:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Notes payable -					
USDA Rural Development					
Series 2005	\$ 64,163	\$ -	\$ 4,697	\$ 59,466	\$ 4,879
Business-type activities:					
Bond anticipation notes					
Series 2018	\$ 1,610,400	\$ -	\$ 1,610,400	\$ -	\$ -
Water Revenue Bonds					
Series 2020	\$ -	\$ 1,722,000	\$ -	\$ 1,722,000	\$ 22,963
Water Revenue Bonds					
Series 2020	\$ -	\$ 291,000	\$ -	\$ 291,000	\$ 3,557

(8) Commitments and Contingencies

Litigation

The Town is subject to various lawsuits and claims, many of which arise in the normal course of business. Although their outcome is not presently determinable, it is the opinion of legal counsel that resolution of these matters will not have a material effect on the financial condition of the Town.

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

(9) Compensation of Town Officials

A detail of compensation paid to the Board of Aldermen is as follows:

Aldermen:

Timmy Derise	107 N. Railroad, Delcambre, LA 70528	January 2017 - December 2020	1,380
Donald Martin	107 N. Railroad, Delcambre, LA 70528	January 2017 - December 2020	1,188
Bryan Glatter	107 N. Railroad, Delcambre, LA 70528	April 2017 - December 2020	-
Sarah Trahan	107 N. Railroad, Delcambre, LA 70528	January 2017 - December 2020	1,118
Madison Saunier	107 N. Railroad, Delcambre, LA 70528	January 2017 - December 2020	1,188
			<u>\$ 4,874</u>

(10) Compensation, Benefits and Other Payments to Mayor

Compensation, benefits and other payments paid to the Mayor are as follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 3,300
Reimbursements	33
Other - cell phone	600
Total	<u>\$ 3,933</u>

(11) Risk Management

The Town is exposed to risks of loss in the areas of health care, general and auto liability, property hazards, and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. The Town has had no settled claims resulting from these risks that exceeded its commercial coverage in any of the past three fiscal years.

TOWN OF DELCAMBRE, LOUISIANA

Notes to Basic Financial Statements

(12) Interfund Transactions

A. A summary of interfund receivables and payables follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental funds:		
General Fund	\$ 76,062	\$ 76,581
State Revenue Sharing Fund	-	500
Sales Tax Special Revenue Fund	55,773	72,622
Special Fund	<u>111,066</u>	<u>663</u>
Total governmental funds	242,901	150,366
Proprietary fund:		
Enterprise Fund	<u>73,122</u>	<u>165,657</u>
Total	<u>\$ 316,023</u>	<u>\$ 316,023</u>

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

B. Transfers consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental funds:		
General Fund	\$ 235,000	\$ -
Sales Tax Special Revenue Fund	-	36,250
Special Fund	<u>5,000</u>	<u>-</u>
Total governmental funds	<u>240,000</u>	<u>36,250</u>
Proprietary fund:		
Enterprise Fund	<u>\$ -</u>	<u>\$ 203,750</u>

**REQUIRED
SUPPLEMENTARY INFORMATION**

TOWN OF DELCAMBRE, LOUISIANA
General Fund

Budgetary Comparison Schedule
Year Ended April 30, 2020

	Budget		Actual	Variance -
	Original	Final		Positive (Negative)
Revenues:				
Taxes	\$ 41,200	\$ 45,000	\$ 42,815	\$ (2,185)
Licenses and permits	62,700	79,700	81,347	1,647
Charges for services	126,200	104,800	85,930	(18,870)
Fines and forfeitures	51,600	36,500	37,728	1,228
Interest	-	200	122	(78)
Other	159,100	176,800	182,525	5,725
Total revenues	<u>440,800</u>	<u>443,000</u>	<u>430,467</u>	<u>(12,533)</u>
Expenditures:				
Current -				
General government	149,200	107,700	98,419	9,281
Public safety	274,100	444,217	469,092	(24,875)
Public works	41,700	47,800	49,710	(1,910)
Capital outlays	-	5,175	5,235	(60)
Debt service:				
Principal	-	4,500	4,697	(197)
Interest	-	2,800	2,629	171
Total expenditures	<u>465,000</u>	<u>612,192</u>	<u>629,782</u>	<u>(17,590)</u>
Excess (deficiency) of revenues over expenditures	(24,200)	(169,192)	(199,315)	(30,123)
Other financing sources:				
Transfers in	-	40,000	235,000	195,000
Net change in fund balance	(24,200)	(129,192)	35,685	164,877
Fund balance, beginning	<u>2,157</u>	<u>2,157</u>	<u>2,157</u>	<u>-</u>
Fund balance, ending	<u>\$ (22,043)</u>	<u>\$ (127,035)</u>	<u>\$ 37,842</u>	<u>\$ 164,877</u>

TOWN OF DELCAMBRE, LOUISIANA
Sales Tax Fund

Budgetary Comparison Schedule
Year Ended April 30, 2020

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 242,100	\$ 265,200	\$ 272,519	\$ 7,319
Intergovernmental	7,000	7,300	10,415	3,115
Charges for services	-	-	33,641	33,641
Interest	-	4,600	4,101	(499)
Other	1,400	1,200	7,289	6,089
Total revenues	<u>250,500</u>	<u>278,300</u>	<u>327,965</u>	<u>49,665</u>
Expenditures:				
Current -				
General government	81,000	32,700	62,619	(29,919)
Public works	174,300	197,000	201,994	(4,994)
Capital outlay	900	2,500	2,200	300
Total expenditures	<u>256,200</u>	<u>232,200</u>	<u>266,813</u>	<u>(34,613)</u>
Excess (deficiency) of revenues over expenditures	(5,700)	46,100	61,152	15,052
Other financing uses:				
Transfers out	(51,000)	(40,000)	(36,250)	3,750
Net change in fund balance	45,300	86,100	24,902	(61,198)
Fund balance, beginning	<u>441,666</u>	<u>441,666</u>	<u>441,666</u>	<u>-</u>
Fund balance, ending	<u>\$ 486,966</u>	<u>\$ 527,766</u>	<u>\$ 466,568</u>	<u>\$ (61,198)</u>

TOWN OF DELCAMBRE, LOUISIANA
Special Fund

Budgetary Comparison Schedule
Year Ended April 30, 2020

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 37,400	\$ 36,400	\$ 36,358	\$ (42)
Intergovernmental	42,500	47,800	43,914	(3,886)
Interest	-	1,900	1,386	(514)
Other	-	2,979	10,479	7,500
Total revenue	<u>79,900</u>	<u>89,079</u>	<u>92,137</u>	<u>3,058</u>
Expenditures:				
Current -				
Public safety	76,700	86,400	92,172	(5,772)
Capital outlay	<u>900</u>	<u>9,500</u>	<u>8,975</u>	<u>525</u>
Total expenditures	<u>77,600</u>	<u>95,900</u>	<u>101,147</u>	<u>(5,247)</u>
Excess (deficiency) of revenues over over expenditures	2,300	(6,821)	(9,010)	(2,189)
Other financing uses:				
Transfers in	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>(5,000)</u>
Net change in fund balance	2,300	(6,821)	(4,010)	(7,189)
Fund balance, beginning	<u>228,676</u>	<u>228,676</u>	<u>228,676</u>	<u>-</u>
Fund balance, ending	<u>\$ 230,976</u>	<u>\$ 221,855</u>	<u>\$ 224,666</u>	<u>\$ (7,189)</u>

TOWN OF DELCAMBRE, LOUISIANA

Notes to Budgetary Comparison Schedules

(1) Budgets and Budgetary Accounting

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

1. The Town Clerk prepares a proposed operating budget for the fiscal year and submits it to the Mayor and Board of Aldermen not later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a resolution 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 finally amended by the Board of Aldermen.

OTHER SUPPLEMENTARY INFORMATION

OTHER FINANCIAL INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR SPECIAL REVENUE FUND

To account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

State Revenue Sharing Fund -

To account for the collection and disbursement of the Town's State Revenue Sharing monies.

Delcambre Youth Fund

To account for the collection and disbursement of the Town's share of proceeds from the youth recreation hotel/motel sales tax.

TOWN OF DELCAMBRE, LOUISIANA
Nonmajor Special Revenue Fund

Combining Balance Sheet
April 30, 2020

	<u>State Revenue Sharing Fund</u>	<u>Delcambre Youth Fund</u>	<u>Total</u>
ASSETS			
Cash	<u>\$ 5,049</u>	<u>\$ 30,475</u>	<u>\$ 35,524</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Due to other funds	\$ 500	\$ -	\$ 500
Fund balance:			
Restricted	<u>4,549</u>	<u>30,475</u>	<u>35,024</u>
Total liabilities and fund balance	<u>\$ 5,049</u>	<u>\$ 30,475</u>	<u>\$ 35,524</u>

TOWN OF DELCAMBRE, LOUISIANA
Nonmajor Special Revenue Fund

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
Year Ended April 30, 2020

	<u>State Revenue Sharing Fund</u>	<u>Delcambre Youth Fund</u>	<u>Total</u>
Revenues			
Interest	\$ 5	\$ -	\$ 5
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>5</u>	<u>-</u>	<u>5</u>
Fund balance, beginning	<u>4,544</u>	<u>30,475</u>	<u>35,019</u>
Fund balance, ending	<u>\$ 4,549</u>	<u>\$ 30,475</u>	<u>\$ 35,024</u>

TOWN OF DELCAMBRE, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers and Rates

April 30, 2020 and 2019

Records maintained by the Town indicated the following number of customers were being serviced during the month of April 30, 2020 and 2019:

Department	2020	2019
Gas (metered)	334	333
Water	854	851
Sewerage	794	793

The monthly water rates of the Town are as follows:

Residential:

\$16.50 per month for the first 2,000 gallons or less, then
\$5.00 per 1,000 gallons or part thereof for all over 2,000 gallons.

Commercial

\$21.50 per month for the first 2,000 gallons or less, then
\$5.20 per 1,000 gallons or part thereof for all over 2,000 gallons.

The monthly sewer rates of the Town are as follows:

Residential:	\$22.50
Commercial	\$25.27 - \$211.91

TOWN OF DELCAMBRE, LOUISIANA

Proprietary Fund
Comparative Statement of Net Position
April 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current assets:		
Cash and interest bearing deposits	\$ 467,593	\$ 600,786
Accounts receivable, net of allowance	57,249	73,916
Due from other funds	73,122	73,122
Prepaid expenses	1,427	1,695
Due from other governmental agencies	<u>385,144</u>	<u>263,173</u>
Total current assets	<u>984,535</u>	<u>1,012,692</u>
Noncurrent assets:		
Restricted assets -		
Cash	65,953	55,854
Interest-bearing deposits	34,911	39,010
Capital assets -		
Non-depreciable	5,193,287	3,874,481
Depreciable, net of accumulated depreciation	<u>3,671,415</u>	<u>3,878,550</u>
Total noncurrent assets	<u>8,965,566</u>	<u>7,847,895</u>
Total assets	<u>9,950,101</u>	<u>8,860,587</u>
LIABILITIES		
Current liabilities:		
Accounts payable	54,852	43,187
Compensated absences payable	2,112	2,112
Other payables	5,546	40,396
Water revenue bond payable	26,520	1,610,400
Accrued interest payable	55,527	10,506
Contract payable	134,267	233,310
Retainage payable	156,117	97,127
Due to other funds	<u>165,657</u>	<u>120,782</u>
Total current liabilities	<u>600,598</u>	<u>2,157,820</u>
Noncurrent liabilities:		
Water revenue bonds payable	1,986,480	-
Customers' deposits	<u>100,864</u>	<u>94,864</u>
Total noncurrent liabilities	<u>2,087,344</u>	<u>94,864</u>
Total liabilities	<u>2,687,942</u>	<u>2,252,684</u>
NET POSITION		
Net investment in capital assets	6,505,791	5,801,688
Unrestricted	<u>756,368</u>	<u>806,215</u>
Total net position	<u>\$ 7,262,159</u>	<u>\$ 6,607,903</u>

TOWN OF DELCAMBRE, LOUISIANA
Proprietary Fund
Utility Fund

Comparative Departmental Analysis of Operating Revenues and Expenses
Years Ended April 30, 2020 and 2019

	Administrative		Gas		Water		Sewer		Totals	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Operating revenues:										
Charges for services	\$ -	\$ -	\$ 135,215	\$ 164,442	\$ 252,493	\$ 251,994	\$ 223,935	\$ 222,342	\$ 611,643	\$ 638,778
Other revenues	15,447	16,056	794	1,300	2,852	3,075	135	-	19,228	20,431
Total operating revenues	15,447	16,056	136,009	165,742	255,345	255,069	224,070	222,342	630,871	659,209
Operating expenses:										
Salaries - plant	-	-	72,495	60,714	39,334	26,711	39,139	26,711	150,968	114,136
Fuel purchased	-	-	25,539	34,974	-	-	-	-	25,539	34,974
Insurance	100	-	17,371	37,997	24,124	9,936	11,506	5,565	53,101	53,498
Insurance - employees	386	976	18,812	12,345	18,931	13,607	18,861	8,658	56,990	35,586
Materials and supplies	-	-	14,215	10,339	19,231	20,832	15,250	7,498	48,696	38,669
Depreciation	-	-	48,182	48,182	92,032	92,032	106,787	105,895	247,001	246,109
Repairs and maintenance	-	-	-	10,205	29,561	20,944	61,797	21,996	91,358	53,145
Professional fees	3,062	6,540	25,590	7,958	23,662	10,624	12,499	7,432	64,813	32,554
Utilities	-	-	-	-	31,636	19,765	35,403	31,226	67,039	50,991
Payroll taxes	2,520	-	4,670	6,345	1,841	3,806	1,839	3,806	10,870	13,957
Bad debt expense	-	13	-	-	-	-	-	-	-	13
Miscellaneous	10,903	4,407	3,765	28,845	3,647	24,933	3,288	62,116	21,603	120,301
Total operating expenses	16,971	11,936	230,639	257,904	283,999	243,190	306,369	280,903	837,978	793,933
Net operating income/(loss)	\$ (1,524)	\$ 4,120	\$ (94,630)	\$ (92,162)	\$ (28,654)	\$ 11,879	\$ (82,299)	\$ (58,561)	\$ (207,107)	\$ (134,724)

TOWN OF DELCAMBRE, LOUISIANA

Schedule of Insurance in Force

Year Ended April 30, 2020

Insurer	Assets Covered	Risks Covered	Limits of Coverage (in Dollars)	Expiration Date
Louisiana Municipal Risk Management Association	Automobiles	Bodily injury, Property damage	500,000	5/1/2020
	Police operations	General liability	500,000	5/1/2020
	Errors and omissions	General liability	500,000	5/1/2020
	General liability	Bodily injury, Property damage	500,000	5/1/2020
Wright National Flood	Town Hall:			
	Building	Flood damage	250,000	2/18/2021
	Contents	Flood damage	100,000	2/18/2021
	Police Department:			
Building	Flood damage	250,000	2/18/2021	
Contents	Flood damage	100,000	2/18/2021	
Thompson Smith & Leach	Property	General liability	Various	6/1/2020
	Equipment	General liability	Various	6/1/2020
	Crime	General liability	250,000	7/20/2020
CNA Insurance	Mayor	Dishonesty Bond	10,000	9/21/2022
	Other officials	Dishonesty Bond	5,000	9/21/2022
	Police Clerk	Dishonesty Bond	10,000	9/21/2022
	Bookkeeper	Dishonesty Bond	10,000	9/21/2022
	Tax Collector	Dishonesty Bond	10,000	9/21/2022
	City Clerk	Dishonesty Bond	10,000	9/21/2022

**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 Pam Blakely, Mayor
and members of the Board of Aldermen
Town of Delcambre, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Delcambre (Town), as of and for the year ended April 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated October 26, 2020.

Internal Control over Financial Reporting

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

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2020-001 and 2020-002 that we consider to be significant deficiencies.

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 is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as item 2020-003.

Town of Delcambre's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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. However, 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

Abbeville, Louisiana
October 26, 2020

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Honorable Pam Blakely, Mayor
and members of the Board of Aldermen
Town of Delcambre, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the Town of Delcambre's (the Town) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended April 30, 2020. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended April 30, 2020.

Report on Internal Control Over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, 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

Abbeville, Louisiana
October 26, 2020

TOWN OF DELCAMBRE, LOUISIANA

Schedule of Expenditures of Federal Awards
For the Year Ended April 30, 2020

Federal Grantor/Pass-Through Grantor/Program Name	CFDA Number	State Pass-Through Entity Identifying Number	<u>Expenditures</u>
United States Department of Agriculture - Water and Waste Disposal Systems for Rural Communities Loan and Grant Program			
Grant amount	10.760	N/A	\$ 1,078,048
Loan amount	10.760	N/A	<u>402,600</u>
Total			<u>\$ 1,480,648</u>

TOWN OF DELCAMBRE, LOUISIANA

Notes to Schedule of Expenditures of Federal Awards
Year Ended April 30, 2020

(1) General

The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of the Town of Delcambre (Town), under programs of the federal government in accordance with the requirements of Title 2 U.S. code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal awards (Uniform Guidance). All federal financial assistance received directly from federal agencies is included on the schedule as well as federal financial assistance passed through other agencies.

(2) Summary of Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards is presented on the accrual basis of accounting, which is described in Note 1 to the Town's financial statements. Such expenditures are recognized following the cost principles in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

(3) Indirect Cost Rate

The Town has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

(4) Debt Outstanding

The Town has the following loans outstanding as of April 30, 2020:

<u>CFDA Number</u>	<u>Program Name</u>	<u>Outstanding Balance</u>
10.760	Water and Waste Disposal Systems for Rural Communities Loan and Grant Program	\$ 2,013,000
10.766	Community Facilities Grant Program	59,466
	Total	<u>\$ 2,072,466</u>

TOWN OF DELCAMBRE, LOUISIANA

Schedule of Findings and Questioned Costs
Year Ended April 30, 2020

Part I. Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial report:

Material weakness(es) identified? _____ yes X no
Significant deficiencies identified? X yes _____ none reported

Noncompliance material to financial statements noted? X yes _____ no

Federal Awards

Internal control over financial report:

Material weakness(es) identified? _____ yes X no
Significant deficiencies identified? _____ yes X none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? _____ yes X no

Major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.760	Water and Waste Disposal Systems for Rural Communities Loan and Grant Program

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? _____ yes X no

TOWN OF DELCAMBRE, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)
Year Ended April 30, 2020

Part II. Findings which are required to be reported in accordance with generally accepted Governmental Auditing Standards:

A. Internal Control Findings –

See internal control finding 2020-001 through 2020-002 on the schedule of current and prior year findings and management's corrective action plan.

B. Compliance Findings –

See internal control finding 2020-003 on the schedule of current and prior year findings and management's corrective action plan.

Part III. Findings and questioned costs for Major Federal awards which in accordance with 2 CFR section 200 of the Uniform Guidance:

There are no findings and questioned costs related to federal programs that are required to be reported under the above guidance.

TOWN OF DELCAMBRE, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended April 30, 2020

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

A. Internal Control Over Financial Reporting

2020-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

CONDITION: The Town of Delcambre did not have adequate segregation of functions within the cash receipts processing, primarily in the Police Department.

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 staff 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: The Town should evaluate the cost benefit of hiring the additional staff necessary to achieve complete segregation of accounting functions. If the Town determines that it is not cost effective to hire additional staff, it should adopt and implement procedures which create a system of checks and balances using current employees and board members who are not part of the accounting function.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Town of Delcambre concurs with the audit finding. Due to the size of staffing, the achievement of adequate segregation of duties is desirable, but is cost prohibitive. All efforts are given to segregate duties where feasible. In an effort to establish more sound internal controls, with the Board of Alderman's approval, the Town purchased the ticket collection module of the CSDC software and has begun implementation in the current year. The Board of Alderman, along with the Town's CPA, monitor activity and balances in all fund accounts.

TOWN OF DELCAMBRE, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended April 30, 2020

2020-002 Utility Fund Operations

Fiscal year finding initially occurred: 2011

CONDITION: The Town's Utility Fund incurred an operating loss of \$207,107 during the current year.

CRITERIA: Sound business practices require that policies be in place and enforced that permit the Town to achieve an operating profit.

CAUSE: The cause of the condition is the fact that the Town's expenditures exceeded collections from its customers.

EFFECT: Failure to make a profit on utility sales could result in the Town not having resources to pay current expenses. The inability to make these payments could result in delayed payment of accounts payable and employee's payroll and the potential default of the Town.

RECOMMENDATION: The Town should take the necessary steps to generate a profit for its utility services; including raising utility rates and cutting operating expenditures.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Town of Delcambre concurs with the findings of an operating loss in the Utility Fund. The Town will review areas of operations and take the necessary steps to generate a profit in utility services. Steps initiated include the installation of water meters which will assess additional utility rates per usage in water and sewerage. This project is anticipated to be completed by November 30, 2020. The Town has also strengthened requirements on delinquent account collections as well as sending inactive accounts and final/closed accounts with balances owed to collections. The Town is reviewing operating expenditures for cost savings opportunities.

B. Compliance

2020-003 Budget noncompliance

Fiscal year finding initially occurred: 2020

CONDITION: Several of the Town's funds incurred variances in excess of 5%.

CRITERIA: LSRA-RS 39:1311 et seq, Budgetary Authority and Control, provides for amending the budget when total revenue plus projected revenue are failing to meet total budgeted revenues by 5% or more, or when total expenditures plus projected expenditures exceed budgeted expenditures by 5% or more.

CAUSE: The cause is a result of failure to properly monitor the revenues and expenditures of the Town.

EFFECT: The Town may not prevent and/or detect compliance violations due to under receipt or over expending of the appropriated budget, and errors or irregularities on a timely basis.

TOWN OF DELCAMBRE, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended April 30, 2020

RECOMMENDATION: The Town should periodically compare actual activity to budgeted amounts and adopt budgetary amendments as necessary to cause compliance with state statute.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Town has implemented new accounting software in addition to hiring a new Town CPA. The measures allow the Town to provide more accurate reports for better monitoring revenues and expenditures on a monthly and quarterly basis. The Town continues to monitor budget to actual comparisons closely and will adopt the necessary amendments to ensure compliance with state statutes.

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

2019-001 Inadequate Segregation of Accounting Functions

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

RECOMMENDATION: The Town should evaluate the cost benefit of hiring the additional staff necessary to achieve complete segregation of accounting functions. If the Town determines that it is not cost effective to hire additional staff, it should adopt and implement procedures which create a system of checks and balances using current employees and board members who are not part of the accounting function.

CURRENT STATUS: Unresolved. See item 2020-001.

2019-002 Utility Fund Operations

Fiscal year finding initially occurred: 2011

CONDITION: The Town's Utility Fund incurred an operating deficit during the year.

RECOMMENDATION: The Town should take the necessary steps to generate a profit for its utility services. This could include raising utility rates and cutting operating expenditures.

CURRENT STATUS: Unresolved. See item 2020-002.

TOWN OF DELCAMBRE, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended April 30, 2020

2019-003 Delinquent Filing/Payment of Payroll Withholdings

Fiscal year finding initially occurred: 2019

CONDITION: The Town of Delcambre is delinquent in filing and remitting payroll taxes to the appropriate agencies.

RECOMMENDATION: The Town should develop policies and procedures and monitor its reporting requirements and ensure proper laws are being followed.

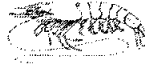
CURRENT STATUS: Resolved.

B. Compliance

See finding 2019-003

TOWN OF DELCAMBRE

Shrimp Capital of the World



107 N. RAILROAD

DELCAMBRE, LA 70528

PHONE: 337-685-4462 FAX: 337-685-4466

The Town of Delcambre respectfully submits the following corrective action plan for the year ended April 30, 2020.

Audit conducted by:

Kolder, Slaven & Company, LLC
200 South Main Street
Abbeville, LA 70510

Audit Period: Fiscal Year Ended April 30, 2020

The findings from the April 30, 2020 schedule of findings and questions costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS – FINANCIAL AUDIT

Significant Deficiencies

2020-001 Inadequate Segregation of Accounting Functions

RECOMMENDATION: The Town should evaluate the cost benefit of hiring the additional staff necessary to achieve complete segregation of accounting functions. If the Town determines that it is not cost effective to hire additional staff, it should adopt and implement procedures which create a system of checks and balances using current employees and board members who are not part of the accounting function.

CORRECTIVE ACTION PLAN: The Town of Delcambre concurs with the audit finding. Due to the size of staffing, the achievement of adequate segregation of duties is desirable, but is cost prohibitive. All efforts are given to segregate duties where feasible. In an effort to establish more sound internal controls, with the Board of Alderman's approval, the Town purchased the ticket collection module of the CSDC software and has begun implementation in the current year. The Board of Alderman, along with the Town's CPA, monitor activity and balances in all fund accounts.



2020-002 Utility Fund Operations

RECOMMENDATION: The Town should take the necessary steps to generate a profit for its utility services; including raising utility rates and cutting operating expenditures.

CORRECTIVE ACTION PLAN: The Town of Delcambre concurs with the findings of an operating loss in the Utility Fund. The Town will review areas of operations and take the necessary steps to generate a profit in utility services. Steps initiated include the installation of water meters which will assess additional utility rates per usage in water and sewerage. This project is anticipated to be completed by November 30, 2020. The Town has also strengthened requirements on delinquent account collections as well as sending inactive accounts and final/closed accounts with balances owed to collections. The Town is reviewing operating expenditures for cost savings opportunities.

Compliance

2020-003 Budget Noncompliance

RECOMMENDATION: The Town should periodically compare actual activity to budgeted amounts and adopt budgetary amendments as necessary to cause compliance with state statute.

CORRECTIVE ACTION PLAN: The Town has implemented new accounting software in addition to hiring a new Town CPA. The measures, allow the Town to provide more accurate reports for better monitoring revenues and expenditures on a monthly and quarterly basis. The Town continues to monitor budget to actual comparisons closely and will adopt the necessary amendments to ensure compliance with state statutes.

If there are questions regarding the plan, please call Pam Blakely, Mayor, at (337) 685-4462.

Sincerely,

A handwritten signature in black ink that reads "Pam Blakely". The signature is written in a cursive, flowing style.

Pam Blakely, Mayor

TOWN OF DELCAMBRE

Shrimp Capital of the World



107 N. RAILROAD

DELCAMBRE, LA 70528

PHONE: 337-685-4462 FAX: 337-685-4466

The Town of Delcambre respectfully submits the following schedule of prior audit findings for the year ended April 30, 2020.

Audit conducted by:

Kolder, Slaven & Company, LLC
200 South Main Street
Abbeville, LA 70510

Audit Period: Fiscal Year Ended April 30, 2020

Significant Deficiencies

2019-001 Inadequate Segregation of Accounting Functions

Fiscal Year Finding Initially Occurred: Unknown

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

CORRECTIVE ACTION PLAN: The Town of Delcambre concurs with the audit finding. Due to the size of staffing, the achievement of adequate segregation of duties is desirable, but is cost prohibitive. All efforts are given to segregate duties where feasible. In an effort to establish more sound internal controls, the Board of Alderman, in conjunction with the Town's CPA, monitor activity and balances in all fund accounts.

CURRENT STATUS: Partially resolved.

2019-002 Utility Fund Operations

Fiscal Year Finding Initially Occurred: April 30, 2011

CONDITION: The Town's Utility Fund incurred an operating deficit during the year.

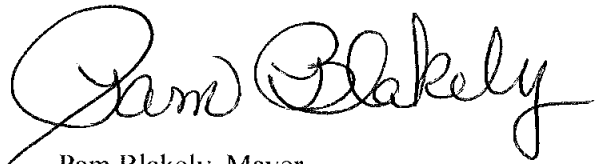
CORRECTIVE ACTION PLAN: The Town of Delcambre concurs with the findings of an operating loss in the Utility Fund. The Town will review areas of operations and take the necessary steps to generate a profit in utility services. Steps initiated include the installation of water meters which will assess additional utility rates per usage in water and sewerage.



The Town has also strengthened requirements on delinquent account collections as well as sending inactive accounts and final/closed accounts with balances owed to collections. The Town is reviewing operating expenditures for cost savings opportunities.

If there are questions regarding the plan, please call Pam Blakely, Mayor, at (337) 685-4462.

Sincerely,

A handwritten signature in cursive script that reads "Pam Blakely". The signature is written in black ink and is positioned above the printed name.

Pam Blakely, Mayor