

TOWN OF MARINGOUIN, LOUISIANA

FINANCIAL STATEMENTS

September 30, 2021

TOWN OF MARINGOUIN, LOUISIANA

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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, and each major fund of the Town of Maringouin, Louisiana, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of proportionate share of net pension liability and schedule of pension contributions on pages 3 through 12 and 52 through 59 be presented to supplement the basic financial statements. Such information; although not a part of the basic financial statements, is required by 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 inquires 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 information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Maringouin, Louisiana's basic financial statements. The accompanying water and sewer system schedule, schedule of insurance in force, schedule of mayor and town council, schedule of compensation, benefits and other payments to agency head, and justice system funding schedule – collecting/dispersing entity on pages 60 through 64 are presented for purposes of additional analysis and are not a required part of the financial statements.

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

The accompanying water and sewer system schedule, schedule of insurance in force, and schedule of mayor and town council 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2022, on our consideration of the Town of Maringouin, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Maringouin, Louisiana's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Maringouin, Louisiana's internal control over financial reporting and compliance.

Diez, Dupuy & Ruiz

March 31, 2022
Gonzales, Louisiana

TOWN OF MARINGOUIN, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our analysis of the Town of Maringouin's financial performance provides an overview of the Town's financial activities for the fiscal year ended September 30, 2021. Please read it in conjunction with the Town's financial statements, which begin on page 14. The Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts.

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

FINANCIAL HIGHLIGHTS

In 2021, the Town of Maringouin experienced an increase in total revenues relative to prior year. The increase was primarily due to an increase in intergovernmental revenues of \$136,000 and a decrease in operating expenses of \$938,000 compared to 2020.

The major financial highlights for 2021 are as follows.

- Assets of the Town's primary government exceeded its liabilities at the close of the year by approximately \$9.5 million (net position). Of this amount, approximately \$2.6 million (unrestricted net position) may be used without restrictions to meet the Town's ongoing obligations to citizens and creditors.
- The primary government's total net position increased by approximately \$422,000 during 2021.
- Governmental activities net position increased by approximately \$261,000.
- Business-type activities net position increased by approximately \$161,000.
- As of the end of the year, the primary government's governmental funds reported combined fund balances of approximately \$3.8 million. Approximately 18% of the fund balances, or \$560,000, is restricted for fire protection activities. Additionally, \$36,000 is restricted for debt service related the construction of the new town governmental complex.

Significant aspects of the Town's financial well-being as of and for the year ended September 30, 2021, are detailed throughout this analysis.

USING THIS ANNUAL REPORT

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

This annual report consists of a series of financial statements. The government-wide Statement of Net Position and the Statement of Activities (on pages 14 and 15) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances.

Fund financial statements start on page 16. For governmental activities, these statements depict how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds.

Reporting on the Town as a Whole

Our analysis of the Town as a whole begins on page 14. The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way to determine if the Town is in better condition as a result of the year's financial results. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to accounting methods used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods.

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

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

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

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

At September 30, 2021, the Town’s net position was \$9.5 million, of which \$2.6 million was unrestricted. Restricted net positions are reported separately to show legal constraints from debt covenants and enabling legislation that limits the Town’s ability to use those net positions for day-to-day operations.

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

Town of Maringouin, Louisiana
Statement of Net Position
September 30, 2021 and 2020
(in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 3,835	\$ 3,478	\$ 946	\$ 491	\$ 4,781	\$ 3,969
Deferred outflows of resources	34	60	31	123	65	183
Capital assets	2,908	2,998	5,135	5,397	8,043	8,395
Total assets and deferred outflows of resources	<u>\$ 6,777</u>	<u>\$ 6,536</u>	<u>\$ 6,112</u>	<u>\$ 6,011</u>	<u>\$ 12,889</u>	<u>\$ 12,547</u>
Current and other liabilities	192	190	477	156	669	346
Deferred inflows of resources	135	61	91	11	226	72
Long-term liabilities	963	1,059	1,531	1,992	2,494	3,051
Total liabilities and deferred inflows of resources	<u>1,290</u>	<u>1,310</u>	<u>2,099</u>	<u>2,159</u>	<u>3,389</u>	<u>3,469</u>
Net position (deficit):						
Net investment in capital assets	2,239	2,268	3,794	3,988	6,033	6,256
Restricted	596	551	210	200	806	751
Unrestricted (deficit)	<u>2,652</u>	<u>2,407</u>	<u>9</u>	<u>(336)</u>	<u>2,661</u>	<u>2,071</u>
Total net position	<u>\$ 5,487</u>	<u>\$ 5,226</u>	<u>\$ 4,013</u>	<u>\$ 3,852</u>	<u>\$ 9,500</u>	<u>\$ 9,078</u>

The net position of the Town’s governmental activities increased by \$261,000 during 2021. Unrestricted net position represents the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements. The \$2.6 million in unrestricted net position of governmental activities represents the accumulated results of operations, or the residual that would remain after the Town paid off all its the debt. The changes in net position are discussed later in this analysis.

The net position of the Town’s business-type activities increased by approximately 4%, or \$161,000 during 2021. The Town operates natural gas, water distribution, and wastewater treatment systems. The primary focus of this activity is to operate on a profitable basis.

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

Town of Maringouin, Louisiana
Changes in Net Position
September 30, 2021 and 2020
(in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 81	\$ 79	\$ 1,199	\$ 1,166	\$ 1,280	\$ 1,245
Operating grants and contributions	-	10	146	-	146	10
Capital grants and contributions	12	11	35	6	47	17
General revenues:						
Sales taxes	1,629	1,708	-	-	1,629	1,708
Ad valorem taxes	18	18	-	-	18	18
Other general revenues	53	60	4	1	57	61
Total revenues	<u>1,793</u>	<u>1,886</u>	<u>1,384</u>	<u>1,173</u>	<u>3,177</u>	<u>3,059</u>
Functions/Program expenses:						
General government	486	1,573	-	-	486	1,573
Public safety	327	430	-	-	327	430
Roads and streets	701	532	-	-	701	532
Utility operations	-	-	1,223	1,138	1,223	1,138
Interest on long-term debt	18	20	-	-	18	20
Total expenses	<u>1,532</u>	<u>2,555</u>	<u>1,223</u>	<u>1,138</u>	<u>2,755</u>	<u>3,693</u>
Transfers	-	(525)	-	525	-	-
(Decrease) Increase in net position	261	(144)	161	560	422	416
Beginning net position	<u>5,226</u>	<u>5,370</u>	<u>3,852</u>	<u>3,292</u>	<u>9,078</u>	<u>8,662</u>
Ending net position	<u>\$ 5,487</u>	<u>\$ 5,226</u>	<u>\$ 4,013</u>	<u>\$ 3,852</u>	<u>\$ 9,500</u>	<u>\$ 9,078</u>

The increase in the primary government net position between 2021 and 2020 largely relates to increases in charges for service by \$35,000 and decrease in general government expenses by \$1.1 million.

Fund Financial Statements

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

Reporting the Town's Most Significant Funds

Our analysis of the Town's major funds begins on page 16 with the fund financial statements that provide detailed information about the most significant funds and not the Town as a whole. Some funds are required to be established by state law or by bond covenants. However, the Town Council establishes other funds to control and manage money for particular purposes or to meet legal responsibilities for using certain taxes, grants, and other types of resources. The Town's two kinds of funds, governmental and proprietary, use different accounting approaches.

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

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

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

Other information—In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning original and final budgetary comparisons to actual results for the year for the Town's major funds.

Financial Analysis of the Government's Funds

The general government operations of the Town are accounted for in the General Fund and Special Revenue Fund entitled the Fire Protection Fund. The focus of these funds, as noted earlier, is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. The following is a summary of general governmental operations for 2021 and 2020 by fund type:

	(in thousands)			
	2021			2020
	General Fund	Special Revenue Fund	Total	Total
Revenues and other financing sources	\$ 1,593	\$ 193	\$ 1,786	\$ 1,881
Expenditures and other financing uses	1,278	150	1,428	1,969
Net change in fund balance	315	43	358	(88)
Beginning of year	2,899	516	3,415	3,503
Ending of year	\$ 3,214	\$ 559	\$ 3,773	\$ 3,415

The Town's governmental funds experienced an increase in fund balance of \$358,000 during 2021, primarily due to a decrease in transfers out to the Utility Fund of \$525,000 and a decrease in general government expenditures related to salaries and community event which were cancelled due to COVID-19, while also experiencing a decrease in sales tax revenues of \$79,000. At year end, fund balances were approximately \$3.8 million. Approximately \$560,000 has been restricted for funding fire protection activities and \$36,000 being restricted for debt service. Of the remaining fund balance, \$3.2 million is unassigned and available for utilization at the Town's discretion. The unassigned fund balance is accounted for in the Town's General Fund.

The General Fund is the chief operating fund of the Town. At the end of the 2021 fiscal year the General Fund's total assets were approximately \$3.3 million, of which approximately \$3 million is cash and cash equivalents or investments, of which includes restricted cash of \$36,000. During 2021, the fund balance of the General Fund increased by approximately \$315,000.

The Town's other major fund is the Fire Protection Fund, which is a special revenue fund. This fund balance increased by approximately \$43,000 during 2021 compared to an increase in fund balance of \$93,000 during 2020 due to a decrease in sales tax revenue and an increase in personnel and repairs and maintenance expenses.

(continued)

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

Revenue by source	(in thousands)			
	2021		2020	
	Amount	Percent	Amount	Percent
Taxes	\$ 1,686	94.4	\$ 1,760	93.6
Charges for services	75	4.2	65	3.5
Fines	7	0.4	13	0.7
Intergovernmental	12	0.7	21	1.1
Other	6	0.3	22	1.1
Total	<u>\$ 1,786</u>	<u>100.0</u>	<u>\$ 1,881</u>	<u>100.0</u>

Revenues of the primary government for governmental fund types decreased by approximately \$95,000 in 2021, due to decrease in taxes of \$75,000 and decreases in intergovernmental grants, fines and other revenues totaling \$31,000.

Expenditures and other financing uses of the governmental funds decreased by approximately \$541,000 in 2021. Expenditures, by each major function, are summarized in the following table.

Expenditures by function	(in thousands)			
	2021		2020	
	Amount	Percent	Amount	Percent
General government	\$ 390	27.3	\$ 432	21.9
Public safety	282	19.8	300	15.2
Roads and streets	526	36.9	439	22.3
Debt services	79	5.5	90	4.6
Capital outlay	149	10.5	183	9.3
Transfers to Utility Fund	-	0.0	525	26.7
	<u>\$ 1,428</u>	<u>100.0</u>	<u>\$ 1,969</u>	<u>100.0</u>

The decrease in expenditures was largely due to a reduction in transfers to the Utility Fund of \$525,000 compared to 2020.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year the Town’s General Fund budget was amended. The amendment of the operating and capital budgets is a customary practice of the Town and is reflective of the financial changes that occur throughout the fiscal year. The most significant reasons for these budget amendments during 2021 were as follows:

- An increase in intergovernmental grant revenues by \$6,500,
- A decrease in interest income by \$10,000,
- A decrease in public safety expenditures by \$4,500,
- A decrease in general government expenditures by \$20,500,
- A decrease in roads and streets department expenditures by \$9,500.

With these adjustments, the actual charges to appropriations (expenditures) were \$257,747 less than the related final budget appropriations of \$1,536,100. Actual revenues were \$100,771 more than related final budget of \$1,492,000.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2021 the Town had \$8 million invested in a broad range of capital assets, including vehicles, fire equipment, computer equipment, office furniture, land, buildings, roads, and utility systems. This amount represents a net decrease of approximately \$352,000, or approximately 4%, over last year and is related primarily to equipment purchases and capital projects net of current year depreciation. The Town's capital assets, net of depreciation, at September 30, 2021 were as follows:

	(in thousands)		
	Governmental Activities	Business-type Activities	Totals
Land	\$ 623	\$ 9	\$ 632
Buildings	1,351	1	1,352
Equipment and vehicles	151	44	195
Utility plant	-	5,081	5,081
Infrastructure	663	-	663
Construction in progress	121	-	121
Total assets, net of depreciation	\$ 2,909	\$ 5,135	\$ 8,044

The Town’s final 2021 capital outlay budget provided for expenditures of \$120,000, primarily for recreation infrastructure, fire protection equipment, road lighting enhancements and street beautification along with a new set of welcome sign. More detailed information about the Town’s capital assets is presented in Note 6 to the financial statements.

Long-term Liabilities

At year-end the Town had approximately \$2.7 million in long-term liabilities outstanding, comparable to the previous year, as shown below:

	<u>Balance at 9/30/2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at 9/30/2021</u>
Revenue bonds	\$ 2,140,469	\$ -	\$ 131,458	\$ 2,009,011
General debt obligations				
Claim payable	60,184	-	-	60,184
Retirement plan payable	89,659	-	9,862	79,797
Net pension liability	892,183	-	341,723	550,460
Total governmental	<u>\$ 3,182,495</u>	<u>\$ -</u>	<u>\$ 483,043</u>	<u>\$ 2,699,452</u>

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The Town's elected and appointed officials considered many factors when setting the 2022 fiscal year budget and tax rates, including the national and state economies. The largest taxpayers to the Town are primarily companies involved in the oil refining and petrochemical processing sectors which are located throughout Iberville Parish. The spending activities of these industries can significantly impact the Town's sales and use tax revenues.

A second important factor affecting the budget is the Town's sales tax collections, which are approximately 55% of total budgeted revenues. The Town believes that other tax revenue will remain consistent with actual revenues reported in 2021. The Town anticipates \$300,000 in intergovernmental grants during 2022. The total General Fund expenditures for 2022 are projected to increase approximately \$234,000 compared to actual 2021 expenditures due to increases in public safety personnel costs and general governmental administrative costs.

Contacting the Town's Financial Management

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

BASIC FINANCIAL STATEMENTS

TOWN OF MARINGOUIN, LOUISIANA

Exhibit A

STATEMENT OF NET POSITION

September 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 3,405,536	\$ 436,201	\$ 3,841,737
Investments	104,032	-	104,032
Due from other governments	273,804	-	273,804
Accounts receivable, net	14,154	148,220	162,374
Prepaid expenses	2,038	1,767	3,805
Restricted cash and investments	36,052	360,325	396,377
Capital assets:			
Non-depreciable	744,237	8,852	753,089
Depreciable, net	2,163,616	5,125,881	7,289,497
Total assets	6,743,469	6,081,246	12,824,715
DEFERRED OUTFLOWS OF RESOURCES			
Pension liability	33,674	30,696	64,370
Total assets and deferred outflows of resources	\$ 6,777,143	\$ 6,111,942	\$ 12,889,085
LIABILITIES			
Accounts payable	\$ 30,209	\$ 22,876	\$ 53,085
Accrued expenses	28,450	7,841	36,291
Customer deposits	-	150,825	150,825
Unearned revenue	-	223,838	223,838
Noncurrent liabilities:			
Due within one year	133,046	72,449	205,495
Due in more than one year	963,436	1,530,521	2,493,957
Total liabilities	1,155,141	2,008,350	3,163,491
DEFERRED INFLOWS OF RESOURCES			
Pension liability	135,121	90,795	225,916
Total liabilities and deferred inflows of resources	1,290,262	2,099,145	3,389,407
NET POSITION			
Net investment in capital assets	2,238,853	3,794,722	6,033,575
Restricted for:			
Debt service	36,052	209,500	245,552
Fire protection	559,541	-	559,541
Unrestricted	2,652,435	8,575	2,661,010
Total net position	5,486,881	4,012,797	9,499,678
Total liabilities, deferred inflows of resources, and net position	\$ 6,777,143	\$ 6,111,942	\$ 12,889,085

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

TOWN OF MARINGOUIN, LOUISIANA

STATEMENT OF ACTIVITIES

For the year ended September 30, 2021

Functions/Programs	Program Revenues				Net (Expenses) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 485,671	\$ 71,864	\$ -	\$ -	\$ (413,807)	\$ -	\$ (413,807)
Public safety:							
Police	191,858	6,967	-	-	(184,891)	-	(184,891)
Fire	135,930	-	-	-	(135,930)	-	(135,930)
Roads and streets	701,102	2,850	11,940	-	(686,312)	-	(686,312)
Interest on long-term debt	18,275	-	-	-	(18,275)	-	(18,275)
Total governmental activities	<u>1,532,836</u>	<u>81,681</u>	<u>11,940</u>	<u>-</u>	<u>(1,439,215)</u>	<u>-</u>	<u>(1,439,215)</u>
Business-type activities:							
Utility operations	<u>1,223,419</u>	<u>1,199,382</u>	<u>-</u>	<u>35,000</u>	<u>-</u>	<u>10,963</u>	<u>10,963</u>
Total primary government	<u>\$ 2,756,255</u>	<u>\$ 1,281,063</u>	<u>\$ 11,940</u>	<u>\$ 35,000</u>	<u>(1,439,215)</u>	<u>10,963</u>	<u>(1,428,252)</u>
General revenues:							
Taxes:							
Sales and use					1,629,199	-	1,629,199
Insurance premium					36,550	-	36,550
Ad valorem					17,764	-	17,764
Other					1,574	-	1,574
Grants and contributions not restricted to specific programs							
Pension revenue					7,713	146,035	153,748
Other					3,752	-	3,752
Investment earnings					<u>3,244</u>	<u>4,067</u>	<u>7,311</u>
Total general revenues and transfers					<u>1,699,796</u>	<u>150,102</u>	<u>1,849,898</u>
Change in net position					260,581	161,065	421,646
NET POSITION							
Beginning of year					<u>5,226,300</u>	<u>3,851,732</u>	<u>9,078,032</u>
Ending of year					<u>\$ 5,486,881</u>	<u>\$ 4,012,797</u>	<u>\$ 9,499,678</u>

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

TOWN OF MARINGOUIN, LOUISIANA

BALANCE SHEET
GOVERNMENTAL FUNDS

September 30, 2021

	<u>General Fund</u>	<u>Fire Protection Fund</u>	<u>Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 2,862,996	\$ 542,540	\$ 3,405,536
Investments	104,032	-	104,032
Due from other government	256,803	17,001	273,804
Accounts receivable, net	14,154	-	14,154
Prepaid expenses	2,038	-	2,038
Restricted assets	<u>36,052</u>	<u>-</u>	<u>36,052</u>
Total assets	<u>\$ 3,276,075</u>	<u>\$ 559,541</u>	<u>\$ 3,835,616</u>
LIABILITIES			
Accounts payable	\$ 30,209	\$ -	\$ 30,209
Accrued expenses	22,451	-	22,451
Retirement system payable	<u>9,862</u>	<u>-</u>	<u>9,862</u>
Total liabilities	<u>62,522</u>	<u>-</u>	<u>62,522</u>
FUND BALANCE			
Nonspendable	2,038	-	2,038
Restricted for debt service	36,052	-	36,052
Restricted for fire protection	-	559,541	559,541
Unassigned	<u>3,175,463</u>	<u>-</u>	<u>3,175,463</u>
Total fund balance	<u>3,213,553</u>	<u>559,541</u>	<u>3,773,094</u>
Total liabilities and fund balance	<u>\$ 3,276,075</u>	<u>\$ 559,541</u>	<u>\$ 3,835,616</u>

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

TOWN OF MARINGOUIN, LOUISIANA

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

September 30, 2021

Total fund balances - governmental funds (Exhibit A-2)		\$	3,773,094
Total net position reported for governmental activities in the statement of net position is different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds			2,907,853
Pension liabilities, deferred inflows and deferred outflows of resources			
Deferred outflows related to pension liability	33,674		
Deferred inflows related to pension liability	(135,121)		
Net pension liability	<u>(287,501)</u>		(388,948)
Long-term liabilities (e.g. bonds, leases), are not due and payable in the current period and, therefore, are not reported in the governmental funds			
Accrued interest	(5,999)		
Claims payable	(60,184)		
Retirement system payable	(69,935)		
Bonds payable	<u>(669,000)</u>		<u>(805,118)</u>
Net position of governmental activities (Exhibit A)		\$	<u>5,486,881</u>

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

TOWN OF MARINGOUIN, LOUISIANA

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

For the year ended September 30, 2021

	General Fund	Fire Protection Fund	Total Governmental
REVENUES			
Taxes:			
Sales and use	\$ 1,436,266	\$ 192,933	\$ 1,629,199
Insurance premium	36,550	-	36,550
Ad valorem	17,764	-	17,764
Other	1,574	-	1,574
Charges for services:			
Licenses and permits	56,584	-	56,584
Lease income	15,280	-	15,280
Other	2,850	-	2,850
Fines	6,967	-	6,967
Intergovernmental	11,940	-	11,940
Investment earnings	3,244	-	3,244
Miscellaneous	3,752	-	3,752
Total revenues	<u>1,592,771</u>	<u>192,933</u>	<u>1,785,704</u>
EXPENDITURES			
Current function:			
General government	390,216	-	390,216
Public safety:			
Police	173,607	-	173,607
Fire	-	108,576	108,576
Roads and streets	526,419	-	526,419
Debt service	79,821	-	79,821
Capital outlay	108,290	41,245	149,535
Total expenditures	<u>1,278,353</u>	<u>149,821</u>	<u>1,428,174</u>
Net change in fund balance	314,418	43,112	357,530
FUND BALANCE			
Beginning of year	<u>2,899,135</u>	<u>516,429</u>	<u>3,415,564</u>
End of year	<u>\$ 3,213,553</u>	<u>\$ 559,541</u>	<u>\$ 3,773,094</u>

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

TOWN OF MARINGOUIN, LOUISIANA

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

For the year ended September 30, 2021

Net change in fund balance - total governmental fund (Exhibit A-4) \$ 357,530

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

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

Capital outlay	\$ 149,535	
Depreciation and amortization expense	<u>(239,657)</u>	(90,122)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of activities.

Principal payments on debt		61,000
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued interest expense		546
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Changes in net pension obligations are reported only in the Statement of Activities		<u>(68,373)</u>
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Change in net position of governmental activities (Exhibit A-1)		<u>\$ 260,581</u>
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**TOWN OF MARINGOUIN, LOUISIANA
 PROPRIETARY FUND - PUBLIC UTILITY FUND**

Exhibit A-6

STATEMENT OF NET POSITION

September 30, 2021

ASSETS

Current assets:

Cash and cash equivalents	\$	436,201
Accounts receivable, net		148,220
Prepays expenses		1,767
Restricted assets		<u>360,325</u>
Total current assets		<u>946,513</u>

Noncurrent assets:

Capital assets:

Non-depreciable		8,852
Depreciable, net		<u>5,125,881</u>
Total noncurrent assets		<u>5,134,733</u>
Total assets		6,081,246

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pension liability		<u>30,696</u>
Total assets and deferred inflows of resources	\$	<u>6,111,942</u>

LIABILITIES

Current liabilities:

Accounts payable	\$	22,876
Accrued expenses		7,841
Customer deposits		150,825
Unearned revenue		223,838
Current portion of long-term debt		<u>72,449</u>
Total current liabilities		<u>477,829</u>

Noncurrent liabilities:

Long-term debt		1,267,562
Net pension liability		<u>262,959</u>
Total noncurrent liabilities		<u>1,530,521</u>
Total liabilities		2,008,350

DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to pension liability		<u>90,795</u>
Total liabilities and deferred inflows of resources		<u>2,099,145</u>

NET POSITION

Net investment in capital assets		3,794,722
Restricted for debt service		209,500
Unrestricted		<u>8,575</u>
Total net position		<u>4,012,797</u>
Total liabilities and net position	\$	<u>6,111,942</u>

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

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

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

For the year ended September 30, 2021

OPERATING REVENUES

Charges for services:

Gas sales	\$ 530,056
Water sales	441,043
Sewer user fees	200,785
Other	<u>27,498</u>
 Total operating revenues	 <u>1,199,382</u>

OPERATING EXPENSES

Personnel	265,873
Depreciation	353,601
Repairs and maintenance	214,387
Professional services	102,311
Gas purchases	93,219
Utilities	53,321
Insurance	29,166
Billing supplies	23,571
Other	<u>34,674</u>
 Total operating expenses	 <u>1,170,123</u>

Operating income	29,259
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NONOPERATING

Pension revenue	146,035
Interest income	4,067
Interest expense	<u>(53,296)</u>

Total nonoperating, net	<u>96,806</u>
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Income before capital grants and contributions	126,065
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CAPITAL GRANTS AND CONTRIBUTIONS

	<u>35,000</u>
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Net income	161,065
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NET POSITION

Beginning of year	<u>3,851,732</u>
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End of year	<u><u>\$ 4,012,797</u></u>
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Notes on Exhibit A-9 are an integral part of this statement.

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

STATEMENT OF CASH FLOWS

For the year ended September 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 1,203,105
Payments to employees	(409,847)
Payments to suppliers	(538,647)
	<u>254,611</u>
Net cash provided by operating activities	<u>254,611</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Non-operating revenues	<u>146,035</u>
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**CASH FLOWS FROM CAPITAL AND
RELATED FINANCING ACTIVITIES**

Proceeds from capital grants	258,838
Capital asset additions	(91,358)
Principal paid on long-term debt	(70,458)
Interest paid on long-term debt	(53,296)
	<u>43,726</u>
Net cash provided by capital and related financing activities	<u>43,726</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income	<u>4,067</u>
Net increase in cash and cash equivalents	448,439

CASH AND CASH EQUIVALENTS

Beginning of period	<u>348,087</u>
End of period	<u>\$ 796,526</u>

**RECONCILIATION OF OPERATING INCOME TO
NET CASH PROVIDED BY OPERATING ACTIVITIES:**

Operating income	\$ 29,259
Adjustments to operating income:	
Increase to allowance for doubtful accounts	1,762
Depreciation	353,601
Change in operating assets and liabilities:	
Accounts receivable	(9,578)
Accounts payable and accrued liabilities	25,845
Unearned revenue	-
Net pension liability and related deferred inflows and outflows	<u>(146,035)</u>
Net cash provided by operating activities	<u>\$ 254,611</u>

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

Cash and cash equivalents	\$ 436,201
Restricted cash	<u>360,325</u>
Total cash	<u>\$ 796,526</u>

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

BASIC FINANCIAL STATEMENTS

TOWN OF MARINGOUIN, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement Presentation

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

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

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

Reporting Entity

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (continued)

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

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

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

Basis of Presentation

The Town's basic financial statements consist of the government-wide statements of the primary government (the Town) and the fund financial statements (individual major funds and combined non-major funds). In 2021, there were no non-major funds. The Town's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

Government-wide Financial Statements

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

Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide Financial Statements (continued)

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

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

Fund Financial Statements

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements (continued)

Governmental Fund Types

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

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

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

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

Capital Projects Funds - Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds. The Town does not maintain any capital projects funds.

Proprietary Fund Types

Enterprise Funds - Enterprise funds are used to account for operations (1) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs and expenses, including depreciation, of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Town's enterprise fund, the Utility Fund, is considered a major fund.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting and Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

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

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

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

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

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

Accounts Receivable

In the government-wide statements receivables consist of all revenues earned at year-end and not yet received. For governmental activities uncollectible amounts due for receivables are recognized as bad debts directly charged off at the time information becomes available which indicates that the particular receivable is not collectible. In governmental fund types, the uncollectible amount is charged directly to the revenue reported. In business-type activities, uncollectible amounts due from utility billing receivables are recognized as bad debts through the use of an allowance account or are directly charged off at the time information becomes available which indicates that the particular receivable is not collectible. An allowance for doubtful accounts of \$39,583 was recorded at September 30, 2021.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

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

Prepaid Expenses

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

Interfund Receivables and Payables

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

Capital Assets

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

Government-wide Statements

All capital assets are valued at historical cost or estimated historical cost if actual cost is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Major outlays for capital assets and improvements are capitalized upon completion of the construction projects.

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

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

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is recorded over the assets’ estimated useful lives using the straight-line method of depreciation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (continued)

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

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

Fund Financial Statements

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

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

Capitalized Interest

Interest costs are capitalized when incurred by proprietary funds on debt where proceeds were used to finance the construction of assets. Interest earned on proceeds of tax-exempt borrowing arrangements restricted to the acquisition of qualifying assets is offset against interest costs in determining the amount to be capitalized. The Town has capitalized \$38,800 in interest costs associated with sewer improvements in prior years.

Long-term Debt

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

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

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

Government-wide and Proprietary Fund Net Position

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

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

Governmental Fund Balances

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Restricted Resources

When an expenditure is incurred in governmental funds that can be paid using either restricted or unrestricted resources (fund balance), the Town's policy is to apply the expenditure in the following priority:

1. Restricted fund balance,
2. Committed fund balance,
3. Assigned fund balance, and
4. Unassigned fund balance.

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

Interfund Transfers

Transfers between funds are included in the budgets of such funds. In those cases where repayment is expected, the advances are accounted for through the various interfund accounts. During 2021, there were no interfund transfers.

Deferred Outflows and Inflows of Resources

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

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

Budget Policies and Budgetary Accounting

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

1. The Town Clerk and Mayor prepare a proposed budget and submit it to the Town Council no later than fifteen days prior to the beginning of each fiscal year.
2. A notice is published to inform the public that the proposed budget is available for public inspection and the date, time, and location of the public hearing concerning the budget.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budget Policies and Budgetary Accounting (Continued)

3. A public hearing is held on the proposed budget at least ten days following publication of the call for the hearing.
4. After the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a budget and appropriation ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Total departmental expenditures constitute the legal level of budgetary control. That is, budgetary amendments involving the transfer of funds from one department, program or function to another or those involving increases in department expenditures resulting from proposed spending of revenues that exceed amounts estimated require approval of the Town Council.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. General and special revenue fund budgets as presented for comparison in this report are adopted under the modified accrual basis of accounting. The proprietary public utility fund budget as presented for comparison is adopted under the accrual basis of accounting. Such budgetary methods are consistent with generally accepted accounting principles (GAAP). Budgeted amounts presented are as originally adopted or as amended from time to time by the Town Council. Such amendments were not material in relation to the original appropriation.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds and the government-wide financial statements during the reporting period. Actual results could differ from those estimates. Estimates are used primarily when accounting for the allowance for doubtful accounts, prepaid expenses and depreciation.

Subsequent Events

In preparing these financial statements, the Town has evaluated events and transactions for potential recognition or disclosure through March 31, 2022, the date the financial statements were available to be issued.

NOTE 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

Custodial credit risk is the risk that in the event of a financial institution failure, the Town's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. As of September 30, 2021, the Town was not exposed to custodial credit risk.

As of September 30, 2021, the Town had a balance of \$2,295,026 invested in Louisiana Asset Management Pool (LAMP).

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pools of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA – R.S. 33:2955 that operates in conformity with Rule 2a7 of the Securities and Exchange Commission that governs the accounting practice of investment pools.

LAMP is an investment pool with the following characteristics:

- Credit risk: LAMP is rated AAA by Standard & Poor's.
- Custodial risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 52 days from LAMP's monthly Portfolio Holdings as of September 30, 2021.
- Foreign currency risk: Not applicable.

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

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

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

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

Restricted Cash and Investments

Certain cash and investment deposit balances are restricted in that they comprise reserves that are required to be maintained under various bond indentures. See also Note 7. The following is a schedule of restricted cash and investment balances at September 30, 2021:

Primary Government	Amount
Debt service	\$ 245,552
Customer deposits	150,825
	\$ 396,377

NOTE 3 - DUE FROM OTHER GOVERNMENTS

Due from other governments as of September 30, 2021, consists of amounts due from the Parish of Iberville for sales tax of \$273,804.

NOTE 4 - AD VALOREM TAXES

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

NOTE 4 - AD VALOREM TAXES (CONTINUED)

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

The property tax calendar is as follows:

Millage rates adopted	July 13, 2020
Levy date	July 13, 2020
Due date	December 31, 2020
Lien date	January 1, 2021
Collection dates	December 1, 2020 to February 28, 2021

For the year ended September 30, 2021, taxes of 4.22 mills were levied for general government and public purposes on property with assessed valuations totaling \$4,177,990. Total taxes levied and collected were \$17,632 and \$17,764, respectively. Collections also include unpaid amounts from prior assessment years. Property tax millage rates are adopted in the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before December 31 of the current year and become delinquent thereafter.

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES

As of September 30, 2021, there were no interfund receivables or payables.

(Continued)

NOTE 6 - CAPITAL ASSETS

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 623,015	\$ -	\$ -	\$ 623,015
Construction in progress	119,240	1,982	-	121,222
Total capital assets not being depreciated	<u>742,255</u>	<u>1,982</u>	<u>-</u>	<u>744,237</u>
Capital assets being depreciated:				
Buildings and improvements	1,726,569	72,204	-	1,798,773
Equipment and vehicles	2,661,370	51,951	-	2,713,319
Infrastructure	2,025,380	23,398	-	2,048,778
Total capital assets being depreciated	<u>6,413,319</u>	<u>147,553</u>	<u>-</u>	<u>6,560,870</u>
Less accumulated depreciation for:				
Buildings and improvements	404,475	44,742	-	449,217
Equipment and vehicles	2,449,458	112,536	-	2,561,994
Infrastructures	1,303,664	82,379	-	1,386,043
Total accumulated depreciation	<u>4,157,597</u>	<u>239,657</u>	<u>-</u>	<u>4,397,254</u>
Total capital assets, being depreciated, net	<u>2,255,722</u>	<u>(92,104)</u>	<u>-</u>	<u>2,163,616</u>
Governmental activities capital assets, net	<u>\$ 2,997,977</u>	<u>\$ (90,122)</u>	<u>\$ -</u>	<u>\$ 2,907,853</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 8,852	\$ -	\$ -	\$ 8,852
Capital assets being depreciated:				
Utility plant	10,696,836	90,158	-	10,786,994
Buildings	26,800	1,200	-	28,000
Equipment and vehicles	499,747	-	-	499,747
Total capital assets being depreciated	<u>11,223,383</u>	<u>91,358</u>	<u>-</u>	<u>11,314,741</u>
Less accumulated depreciation for:				
Utility plant	5,361,584	345,624	-	5,707,208
Buildings	26,141	188	-	26,329
Equipment and vehicles	447,534	7,789	-	455,323
Total accumulated depreciation	<u>5,835,259</u>	<u>353,601</u>	<u>-</u>	<u>6,188,860</u>
Total capital assets, being depreciated, net	<u>5,388,124</u>	<u>(262,243)</u>	<u>-</u>	<u>5,125,881</u>
Business-type activities capital assets, net	<u>\$ 5,396,976</u>	<u>\$ (262,243)</u>	<u>\$ -</u>	<u>\$ 5,134,733</u>

NOTE 6 - CAPITAL ASSETS (CONTINUED)

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

General government	\$ 87,404
Police	36,424
Fire	27,354
Roads and streets	<u>88,475</u>
 Total depreciation expense - governmental activities	 <u><u>\$ 239,657</u></u>

NOTE 7 - LONG-TERM DEBT

Debt Outstanding

The following is a summary of debt transactions of the Town for the year ended September 30, 2021:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Claims payable	\$ 60,184	\$ -	\$ -	\$ 60,184	\$ 60,184
2014 Sales Tax Revenue Bond	730,000	-	61,000	669,000	63,000
Net pension liability	310,580	-	23,079	287,501	-
Retirement plan payable	<u>89,659</u>	<u>-</u>	<u>9,862</u>	<u>79,797</u>	<u>9,862</u>
Total governmental	<u>1,190,423</u>	<u>-</u>	<u>93,941</u>	<u>1,096,482</u>	<u>133,046</u>
Business-type activities:					
2000 Sewer System Revenue Bond	\$ 387,836	\$ -	\$ 12,384	\$ 375,452	12,952
2005 Sewer System Revenue Bond	418,633	-	10,074	408,559	10,497
2013 Water Revenue Refunding Bond	604,000	-	48,000	556,000	49,000
Net pension liability	<u>581,603</u>	<u>-</u>	<u>318,644</u>	<u>262,959</u>	<u>-</u>
Total business-type	<u>1,992,072</u>	<u>-</u>	<u>389,102</u>	<u>1,602,970</u>	<u>72,449</u>
Total long-term debt	<u><u>\$ 3,182,495</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 483,043</u></u>	<u><u>\$ 2,699,452</u></u>	<u><u>205,495</u></u>

(continued)

NOTE 7 - LONG-TERM DEBT (CONTINUED)

Debt Outstanding (Continued)

Long-term debt obligations for the primary government at September 30, 2021, are comprised of the following:

Governmental Activities

Claims payable-FEMA (see Note 10)	\$ 60,184
\$1,000,000 Sales Tax Bond secured by a pledge and dedication of sales tax revenue, due in annual installments of various amounts through November 1, 2029; interest at 2.69%.	669,000
Retirement plan payable	79,797
Net pension liability	<u>287,501</u>
Total long-term debt from governmental activities	<u>\$ 1,096,482</u>

Enterprise Fund

Revenue Bonds:

\$900,000 Water Revenue Bonds secured by a pledge and dedication of sewer revenues, due in annual installments of various amounts through January 1, 2031; interest at 3.38%	\$ 556,000
\$543,000 Sewer Revenue Bonds secured by a pledge and dedication of sewer revenues, due in monthly installments of \$2,465 through April 23, 2040; interest at 4.50%	375,452
\$525,000 Bond Anticipation Note secured by a pledge and dedication of sewer revenues, due in monthly installments of \$2,263 through April 23, 2045; interest at 4.12%	408,559
Net pension liability	<u>262,959</u>
Total long-term debt from business-type activities	<u>\$ 1,602,970</u>

Bond Restrictions

2000 Sewer Revenue Bond

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

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

NOTE 7 - LONG-TERM DEBT (CONTINUED)

Bond Restrictions (continued)

2000 Sewer Revenue Bond (continued)

2. The Sewer Revenue Bond and Interest Sinking Funds require monthly transfers from the Sewer System Revenue Fund to provide payment of the next maturing interest and principal of the revenue bonds.
3. The Sewer Revenue Bond Reserve Fund requires monthly transfers of \$237. This fund is restricted to payment of principal and interest in case of default. The current balance of the fund is \$59,294.
4. The Sewer Contingency Fund requires monthly transfers of \$237. The fund is restricted to payments for unusual or extraordinary maintenance, repairs, replacement, and extensions and improvements that will either enhance its revenue producing capacity or provide improved service. It will also be used to pay principal and interest if there are not sufficient funds in the Sewer Revenue Bond Fund or Sewer Revenue Bond Reserve Fund. The current balance of the fund is \$42,248.

2013 Water Revenue Refunding Bond

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

1. The Water Revenue Fund requires all revenue derived from its operations to be deposited in a bank that is a member of the Federal Deposit Insurance Corporation as long as any of the bonds are outstanding. Required transfers are made on a monthly basis to designated trust accounts.
2. The Water Revenue Bond and Interest Sinking Funds require monthly transfers from the Water Revenue Fund to provide payment of the next maturing interest and principal of the revenue bonds. The current balance of the fund is \$44,175.
3. The Water Reserve Fund required a deposit equal to the highest combined principal and interest falling due in any year. This fund is restricted to payment of principal and interest in case of default. The current balance of the fund is \$34,699.
4. The Water Depreciation and Contingency Fund require monthly transfers of \$315. The fund is restricted to payments for unusual or extraordinary maintenance, repairs, replacement, and extensions and improvements that will either enhance its revenue producing capacity or provide improved service. It will also be used to pay principal and interest if there are not sufficient funds in the Water Revenue Bond Fund or Water Revenue Bond Reserve Fund. The current balance of the fund is \$29,084.

NOTE 7 - LONG-TERM DEBT (CONTINUED)

2014 Sales Tax Revenue Refunding Bond

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

1. The Sales Tax Revenue Fund requires all revenue derived from its operations to be deposited in a bank that is a member of the Federal Deposit Insurance Corporation as long as any of the bonds are outstanding. Required transfers are made on a monthly basis to designated trust accounts.
- 2.
3. The Sales Tax Revenue Bond and Interest Sinking Funds require monthly transfers from the Sales Tax Revenue Fund to provide payment of the next maturing interest and principal of the revenue bonds. The current balance of the fund is \$36,052.

The annual requirements to amortize outstanding debt principal and interest as of September 30, 2021, are as follows:

	<u>Governmental Activities</u>	
	<u>2014 Sales Tax Revenue Bond</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 63,000	\$ 17,149
2023	66,000	15,414
2024	68,000	13,611
2025	71,000	11,742
2026	74,000	9,792
2027-2030	327,000	18,036
	<u>\$ 669,000</u>	<u>\$ 85,744</u>

NOTE 7 - LONG-TERM DEBT (CONTINUED)

	Business-type Activities	
	Revenue Bonds	
	Principal	Interest
2022	\$ 72,449	\$ 51,255
2023	75,485	48,528
2024	78,568	45,688
2025	81,698	42,732
2026	83,878	39,676
2027-2031	451,005	148,811
2032-2036	197,417	86,262
2037-2041	210,229	39,381
2042-2045	89,282	4,838
	\$ 1,340,011	\$ 507,171

NOTE 8 - PENSION AND RETIREMENT PLANS

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

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

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

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

As of September 30, 2020, the town no longer participates in the Municipal Police Employees’ Retirement System.

NOTE 8 - PENSION AND RETIREMENT PLANS (CONTINUED)

Plan Descriptions:

Municipal Employees' Retirement System of Louisiana (MERS)

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

Municipal Police Employees' Retirement System (MPERS)

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

Funding Policy

The Town's net pension liabilities are typically liquidated through the General Fund and Public Utility Fund. Contributions to the plans are required and determined by State statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended June 30, 2021, for the Town and covered employees were as follows:

	Town	Employees
Municipal Employees' Retirement System (Plan A)	29.50%	10.00%
Municipal Police Employees' Retirement System		
All employees hired prior to 01/01/2013 and all		
Hazardous Duty employees hired after 01/01/2013	33.75%	10.00%
Non-Hazardous Duty (hired after 01/01/2013)	33.75%	8.00%
Employees receiving compensation below poverty guidelines of US Department of Health	36.25%	7.50%

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

Plan	2021	2020	2019
MERS (Plan A) Year ended June 30, 2021	\$ 111,292	\$ 115,990	\$ 94,225
MPERS Year ended June 30, 2021	-	-	7,496
Total	\$ 111,292	\$ 115,990	\$ 101,721

NOTE 8 - PENSION AND RETIREMENT PLANS (CONTINUED)

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

The following schedule lists the Town's proportionate share of the net pension liability allocated by each of the pension plans for based on the June 30, 2021 measurement date. The Town uses this measurement date to record its net pension liability and associated amounts as of September 30, 2021 in accordance with GASB Statement No. 68. The schedule also includes the proportionate share allocation rate used at June 30, 2021 along with the change compared to the June 30, 2020 rate. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

	Net Pension Liability at June 30, 2021	Current Measurement Rate	Previous Measurement Rate	Increase (Decrease)
	<u>2021</u>	<u>Rate</u>	<u>Rate</u>	<u>(Decrease)</u>
MERS	\$ 550,460	0.1979%	0.2064%	-0.0085%
MPERS	<u>-</u>	0.0000%	0.0000%	0.0000%
Total	<u>\$ 550,460</u>			

The following schedule list each pension plan's recognized net pension expense (benefit) of the Town for the year ended September 30, 2021:

	<u>Total</u>
Municipal Employees' Retirement Fund	\$ (45,117)
Municipal Police Employees' Retirement Fund	<u>(8,310)</u>
Total	<u>\$ (53,427)</u>

The Town's proportionate share of non-employer contributions was \$14,767 for MERS; there was no proportionate share of non-employer contributions for MPERS for the year ended September 30, 2021. Non-employer contributions are reported as pension revenue on the government-wide and Utility Fund financial statements.

(Continued)

NOTE 8 - PENSION AND RETIREMENT PLANS (CONTINUED)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 198	\$ 6,294
Changes of assumptions	20,114	-
Net difference between projected and actual earnings on pension plan investments	-	152,401
Changes in proportion and differences between Employer contributions and proportionate share of contributions	17,370	62,123
Differences between allocated and actual contributions	114	5,098
Employer contributions subsequent to the measurement date	26,574	-
	\$ 64,370	\$ 225,916

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Municipal Employees' System (Plan A)	\$ 64,256	\$ 185,462
Municipal Police Employees' Retirement Fund	114	40,454
	\$ 64,370	\$ 225,916

The Town reported \$26,574 as deferred outflow of resources related to pension contributions into the MERS plan made subsequent to the measurement date of June 30, 2021, which will be recognized as a reduction in net pension liability in the year ended September 30, 2021. There were no contributions into the MPERS made subsequent to the measurement date of June 30, 2021.

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

Year	MERS	MPERS	Total
2022	\$ (13,998)	\$ (21,795)	\$ (35,794)
2023	(39,766)	(18,545)	(58,311)
2024	(40,646)	-	(40,646)
2025	(53,369)	-	(53,369)
	\$ (147,780)	\$ (40,340)	\$ (188,120)

NOTE 8 - PENSION AND RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability for each pension plan as of June 30, 2021 are as follows:

	Valuation Date	Expected Remaining Service Lives	Investment Rate of Return, net
MERS	June 30, 2021	3 years	6.850%
MPERS	June 30, 2021	4 years	6.750%

The MERS actuarial assumptions used in the June 30, 2021 valuation was based on the results of an experience study, for the period July 1, 2014 through June 30, 2018. The MPERS actuarial assumptions used in the June 30, 2021 valuation was based on the results of an experience study, for the period July 1, 2014 through June 30, 2019.

Mortality:

MERS

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

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

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

MPERS

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

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

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

NOTE 8 - PENSION AND RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions (Continued)

Salary Increases (continued):

MERS

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

MPERS

Years of Service	Salary Growth Rate
1-2	12.30%
Above 2	4.70%

Cost of Living Adjustments:

MERS

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

MPERS

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

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

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

NOTE 8 - PENSION AND RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions (Continued)

MERS

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

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rates of return is 7.00% for the year ended June 30, 2021.

MPERS

The forecasted long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting forecasted long-term rate of return is 7.19% for the year ended June 30, 2021.

The following table provides a summary of the best estimates of arithmetic/geometric real rates of return for each major asset class included in each of the Retirement Systems target asset allocations as of June 30, 2021:

Asset Class	Target Allocation		Long - Term Expected Real Rate of Return	
	MERS	MPERS	MERS	MPERS
Equity	53%	56%	2.31%	3.47%
Fixed Income	38%	31%	1.65%	0.59%
Alternatives	9%	14%	0.39%	1.01%
Other	-	-	-	-
Total	100%	100%	4.35%	5.07%
Inflation			2.6%	2.22%
Expected Arithmetic Nominal Return			6.95%	7.3%

NOTE 8 - PENSION AND RETIREMENT PLANS (CONTINUED)

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for MERS and MPERS was 6.850% and 6.750%, respectively for the year ended June 30, 2021.

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

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

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
MERS			
Discount Rates	5.850%	6.850%	7.850%
Shares of Net Pension Liability	\$ 815,259	\$ 550,460	\$ 326,800
MPERS			
Discount Rates	5.750%	6.750%	7.750%
Shares of Net Pension Liability	\$ -	\$ -	\$ -

NOTE 9 - COMPENSATION TO GOVERNING BODY

The following is a schedule of payments to the council members for the fiscal year ended September 30, 2021:

<u>Council Members</u>	<u>Amount</u>
<u>2021</u>	
Sam Watson	\$ 9,200
Cherise D Gougisha	9,200
Jerome Martin	9,200
Veronica Hill	9,200
Clarence Wiley	9,200
Total	<u>\$ 46,000</u>

NOTE 10 - COMMITMENTS AND CONTINGENCIES

Risk Management

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

Grants

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

REQUIRED SUPPLEMENTARY INFORMATION

**TOWN OF MARINGOUIN, LOUISIANA
GENERAL FUND**

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

For the year ended September 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes:				
Sales and use	\$ 1,350,000	\$ 1,350,000	\$ 1,436,266	\$ 86,266
Insurance premium	30,000	30,000	36,550	6,550
Ad valorem	17,000	17,000	17,764	764
LA tobacco, beer & V/P taxes	1,500	1,500	1,574	74
Charges for services:				
Licenses, permits and franchise fees	60,000	60,000	56,584	(3,416)
Lease revenues	12,000	12,000	15,280	3,280
Court Fines	12,500	8,000	6,967	(1,033)
Intergovernmental	-	6,500	11,940	5,440
Interest Income	12,000	2,000	3,244	1,244
Other Income	<u>5,000</u>	<u>5,000</u>	<u>3,752</u>	<u>(1,248)</u>
Total revenues	<u>1,500,000</u>	<u>1,492,000</u>	<u>1,592,771</u>	<u>100,771</u>
EXPENDITURES				
Current function:				
General government	515,100	494,600	390,216	104,384
Public safety - police	343,000	338,500	173,607	164,893
Roads and streets	512,500	503,000	526,419	(23,419)
Debt service	80,000	80,000	79,821	179
Capital outlay	<u>120,000</u>	<u>120,000</u>	<u>108,290</u>	<u>11,710</u>
Total expenditures	<u>1,570,600</u>	<u>1,536,100</u>	<u>1,278,353</u>	<u>257,747</u>
Excess (deficiency) of revenues over expenditures	(70,600)	(44,100)	314,418	358,518
OTHER FINANCING USES				
Transfer out	<u>-</u>	<u>(100,000)</u>	<u>-</u>	<u>100,000</u>
Net change in fund balance	<u>(70,600)</u>	<u>(144,100)</u>	<u>314,418</u>	<u>\$ 458,518</u>
FUND BALANCE				
Beginning of year	<u>2,078,372</u>	<u>2,899,135</u>	<u>2,899,135</u>	
End of year	<u>\$ 2,007,772</u>	<u>\$ 2,755,035</u>	<u>\$ 3,213,553</u>	

TOWN OF MARINGOUIN, LOUISIANA
FIRE PROTECTION FUND

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

For the year ended September 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Sales and use tax	\$ 165,000	\$ 165,000	\$ 192,933	\$ 27,933
Intergovernmental	8,500	8,500	-	(8,500)
Miscellaneous	500	500	-	(500)
	<u>174,000</u>	<u>174,000</u>	<u>192,933</u>	<u>18,933</u>
EXPENDITURES				
Current function:				
Public safety - fire	134,000	142,000	108,576	33,424
Capital outlay	50,000	50,000	41,245	8,755
	<u>184,000</u>	<u>192,000</u>	<u>149,821</u>	<u>42,179</u>
Net change in fund balance	(10,000)	(18,000)	43,112	<u>\$ 61,112</u>
FUND BALANCE				
Beginning of year	<u>420,327</u>	<u>413,247</u>	<u>516,429</u>	
End of year	<u>\$ 410,327</u>	<u>\$ 395,247</u>	<u>\$ 559,541</u>	

TOWN OF MARINGOUIN, LOUISIANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the year ended September 30, 2021

NOTE 1 - BUDGETS

Budget Policy and Budgetary Accounting

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

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

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

Basis of Accounting

All of the Town's budgets are prepared on the modified accrual basis of accounting as described in Note 1 to the Town's financial statements for the year ended September 30, 2021.

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

As of the fiscal year ended (2):

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

As of the fiscal year ended (2):

	2020	
	MERS (Plan A)	MPERS
Employer's Proportion of the Net Pension Liability (Asset)	0.2064%	0.0000%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 892,183	\$ -
Employer's Covered-Employee Payroll	\$ 411,389	\$ -
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	216.87%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	64.52%	70.94%

As of the fiscal year ended (2):

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

(Continued)

TOWN OF MARINGOUIN, LOUISIANA
SCHEDULE OF PROPORTIONATE SHARE
OF NET PENSION LIABILITY

LAST TEN FISCAL YEARS (1)

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

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

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

TOWN OF MARINGOUIN, LOUISIANA
SCHEDULE OF PENSION CONTRIBUTIONS

LAST TEN FISCAL YEARS (1)

	2021	
	MERS	
	(Plan A)	MPERS
Contractually Required Contribution	\$ 117,020	\$ -
Contributions in Relation to Contractually Required Contribution	111,292	-
Contribution Deficiency (Excess)	<u>\$ 5,728</u>	<u>\$ -</u>
Employer's Covered Employee Payroll	\$ 396,678	\$ -
Contributions as a % of Covered Employee Payroll	29.50%	0.00%
	2020	
	MERS	
	(Plan A)	MPERS
Contractually Required Contribution	\$ 110,584	\$ -
Contributions in Relation to Contractually Required Contribution	115,990	-
Contribution Deficiency (Excess)	<u>\$ (5,406)</u>	<u>\$ -</u>
Employer's Covered Employee Payroll	\$ 398,501	\$ -
Contributions as a % of Covered Employee Payroll	27.75%	0.00%
	2019	
	MERS	
	(Plan A)	MPERS
Contractually Required Contribution	\$ 94,223	\$ 9,099
Contributions in Relation to Contractually Required Contribution	94,347	6,628
Contribution Deficiency (Excess)	<u>\$ (124)</u>	<u>\$ 2,471</u>
Employer's Covered Employee Payroll	\$ 362,396	\$ 29,590
Contributions as a % of Covered Employee Payroll	26.00%	30.75%

(Continued)

TOWN OF MARINGOUIN, LOUISIANA
SCHEDULE OF PENSION CONTRIBUTIONS

LAST TEN FISCAL YEARS (1)

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

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

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

For the year ended September 30, 2021

NOTE 1 - NET PENSION LIABILITY

Changes of Benefit Terms

Municipal Employees' Retirement System (Plan A):

No Changes.

Municipal Police Employees' Retirement System:

No Changes.

Changes of Assumptions

Municipal Employees' Retirement System (Plan A):

In 2021, the inflation rate did not change. The investment rate of return decreased from 7.000% to 6.950%. The long-term expected real rate of return did not change.

Municipal Police Employees' Retirement System:

In 2021, the inflation rate did not change. The investment rate of return decreased from 7.125% to 6.950%. The long-term expected real rate of return decreased from 7.89% to 7.19%.

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

September 30, 2021
(Without Audit)

Records maintained by the Town of Maringouin indicated the number of residential and commercial users for both water and sewer systems at September 30, 2021 were as follows:

	<u>Water</u>	<u>Sewer</u>
Residential	1,087	450
Commercial	65	32
Governmental	<u>13</u>	<u>-</u>
Total	<u><u>1,165</u></u>	<u><u>482</u></u>

At September 30, 2021, the Town was charging the following rates for usage of their water and sewer systems:

Schedule of Water Rates

Residential - inside municipality:
\$15.97 – (minimum)
Plus usage = \$0.213 per 100 gallons

Residential - outside municipality:
\$18.10 – (minimum)
Plus usage = \$0.229 per 100 gallons

Commercial:
\$26.60 – (minimum)
Plus usage = \$0.203 per 100 gallons

Multi-unit structure with master meter (Ridgewood):
\$52.02 – (minimum)
Plus usage = \$0.214 per 100 gallons

Schedule of Sewer Rates

Residential:
\$23.95 base rate
Plus usage = \$0.213 per 100 gallons

Commercial:
\$31.94 base rate
Plus usage = \$0.213 per 100 gallons

TOWN OF MARINGOUIN, LOUISIANA

SCHEDULE OF INSURANCE IN FORCE

September 30, 2021
(Without Audit)

Issuer	Kind of Insurance	Insurance	Expiration Date
LA Municipal Risk Management Agency	Automobile Liability	\$500,000 CSL Bodily Injury and Property Damage	5/1/2022
	Commercial General Liability	\$500,0000 CSL Bodily Injury and Property Damage	5/1/2022
	Errors and Omissions	\$500,0000 CSL Errors and Omissions	5/1/2022
	Law Enforcement Officer	\$500,0000 CSL Personal Injury and Property Damage	5/1/2022
Rod Prejean	Automobile Liability	\$284,115 CSL Automobile Damage	3/7/2022
Smith-LBA Insurance, Inc.	Commercial General Liability	\$1,415,000 CSL Property Damage	10/31/2022
	Commercial General Liability	\$105,000 CSL Business Personal Property Damage	10/31/2022

TOWN OF MARINGOUIN, LOUISIANA

SCHEDULE MAYOR AND TOWN COUNCIL

September 30, 2021
(Without Audit)

The Town's Mayor and Town Council at September 30, 2021 are as follows:

Maurice Harris
Post Office Box 655
Maringouin, LA 70757
(225) 937-7107

Town Council:

Sam Watson
Post Office Box 449
Maringouin, LA 70757
(225) 625-4527

Clarence Wiley
Post Office Box 391
Maringouin, LA 70757
(225) 276-7657

Jerome "Gillis" Martin
Post Office Box 33
Maringouin, LA 70757
(225) 270-7489

Veronica "Bonnie" Hill
Post Office Box 168
Maringouin, LA 70757
(225) 931-1827

Cherise Gougisha
Post Office Box 531
Maringouin, LA 70757
(225) 270-5910

TOWN OF MARINGOUIN, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND
OTHER PAYMENTS TO AGENCY HEAD

For the fiscal year ended September 30, 2021

Agency Head: Maurice Harris, Mayor

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 17,000
Reimbursements	<u>383</u>
	<u>\$ 17,383</u>

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

For the year ended September 30, 2021

<u>Primary Government</u>	<u>First Six Month Period Ending, March 31, 2021</u>	<u>Second Six Month Period Ending, September 30, 2021</u>
BEGINNING BALANCE OF AMOUNTS COLLECTED	\$ 40	\$ 19
COLLECTIONS:		
Civil Fees	<u>4,181</u>	<u>2,786</u>
DISBURSEMENTS TO GOVERNMENTS AND NON-PROFITS:		
Louisiana Commission on Law Enforcement, Traffic fines	40	50
Louisiana Trauma Head and Spinal Cord Injury Trust Fund, Traffic fines	35	70
Treasurer, State of Louisiana - CMIS, Traffic fines	20	25
Louisiana Supreme Court	10	14
AMOUNTS RETAINED BY COLLECTING AGENCY	<u>4,097</u>	<u>2,637</u>
TOTAL DISBURSEMENTS/RETAINAGE	<u>4,202</u>	<u>2,796</u>
TOTAL ENDING BALANCE OF AMOUNTS COLLECTED AND NOT DISBURSED	<u>\$ 19</u>	<u>\$ 9</u>



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Maringouin, Louisiana as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Maringouin, Louisiana's basic financial statements, and have issued our report thereon dated March 31, 2022.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. 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 2021-001 that we consider to be significant deficiencies.

Compliance and Other matters

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

Town of Maringouin, Louisiana's Response to Findings

The Town of Maringouin, Louisiana's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Town of Maringouin, Louisiana's response was not subjected to auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Gonzales, Louisiana
March 31, 2022

TOWN OF MARINGOUIN, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2021

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type-of auditors' report issued: Unmodified

Internal Control over Financial Reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be a material weaknesses? X yes _____ none reported
- Noncompliance material to financial statements noted? _____ yes X no

B. FINDINGS – FINANCIAL STATEMENT AUDIT

2021-001 Sewer and Water Utility Billing

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

Condition: The Town's sewer and water base rates as well as usage rates were not increased by the 2020 CPI. For the period January through September 2021, the actual rates used to bill the Town customers were less than rates determined by criteria set by ordinance.

Effect: The Town appeared to have underbilled sewer and water customers for the period January through September 2021.

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

Recommendation: The Town of Maringouin should consider developing policies and procedures that assigns responsibility for ensuring that sewer and water rates are increased annually as set by ordinance.

Views of responsible officials and planned corrective action: Management updated the sewer and water rates in March 2022 to incorporate the CPI adjustment as required by Town ordinance once notification of the matter was communicated by the Town's auditor. Management considers this matter resolved as of March 2022.

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

None

TOWN OF MARINGOUIN, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2021

FINDINGS – FINANCIAL STATEMENT AUDIT

2020-001 Legislative Audit Advisory Services Report

Observation: In March 2009, the Louisiana Legislative Auditor issued an advisory services report relating to the best practices review of Town operating practices. The report outlined deficiencies in operations, opportunities to enhance procedures and recommendations for corrective action. The unresolved matters outlined in the report relate to the following:

- Utility Customer Accounts

Utility Customer Accounts

Reconciliation of the Master Water Meter

Condition: Management implemented procedures to report master water meter readings to the town utility clerk to reconcile monthly the master water meter to customer usage. The reconciliation was prepared consistently during the current fiscal year. However, reconciliations resulted in a significant number of gallons of water unaccounted for each month the reconciliation was prepared. In addition, management did not take action to determine the nature of the variance, nor provide an explanation for the gallons unaccounted for at the time the reconciliation was prepared.

Current Year Status: No similar finding reported in current year.

2020-002 Gas Utility Billing

Observation: Town Ordinance defines the rates and determination of monthly service charges for gas billing. With the assistance of a third-party consultant, gas rates are determined and applied on a monthly basis in accordance with criteria set by ordinance.

Condition: The Town's gas utility rate determined for May through August 2019 did not agree to the actual rates charged to customers for the months. The actual rates used to bill the Town customers were less than rates determined by criteria set by ordinance, for the respective months noted, resulting in the Town underbilling its customers for gas consumption.

Current Year Status: Similar finding reported in current year.

2020-003 Utility Customer Accounts / Past Due Balances and Adjustments to Customer Accounts

Observation: Town Policy defines the timeline for when payments for utility services are due as well as the cut-off process for delinquent utility users. In addition, the Town does not define guidelines for adjusting utility customer accounts, nor does the Town have a consistent process to make adjustments to customer accounts.

Condition: Management of the Town did not consistently cut-off services on past due accounts. In addition, adjustments were made to customer accounts and the Town failed to maintain documentation to support that the adjustment was approved by someone other than the individual making the adjustment and/or the reason for which the adjustment was made.

Current Year Status: No similar finding reported in current year.