

TOWN OF GUEYDAN, LOUISIANA  
Financial Report

Year Ended December 31, 2023

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## INDEPENDENT AUDITOR'S REPORT

Mr. Jude Reese, Mayor  
and the Board of Alderman of  
Town of Gueydan  
Gueydan, Louisiana

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Gueydan, Louisiana as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town of Gueydan's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Gueydan, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

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

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

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

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

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Gueydan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Gueydan's ability to continue as a going concern for a reasonable period of time.

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

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

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

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Gueydan’s basic financial statements. The supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information as listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information as listed in the table of contents does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2024, on our consideration of the Town of Gueydan’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Gueydan’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 Town of Gueydan’s internal control over financial reporting and compliance.

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

Abbeville, Louisiana  
June 12, 2024

## **BASIC FINANCIAL STATEMENTS**

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



TOWN OF GUEYDAN, LOUISIANA

Statement of Net Position  
December 31, 2023

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and interest-bearing deposits	\$1,276,126	\$304,638	\$1,580,764
Receivables, net	41,399	194,715	236,114
Internal balances	4,089	(4,089)	-
Prepaid expense	2,991	-	2,991
Restricted assets:			
Interest bearing deposits	-	33,956	33,956
Capital assets:			
Non-depreciable	26,950	-	26,950
Depreciable, net	<u>7,990,109</u>	<u>2,036,319</u>	<u>10,026,428</u>
Total assets	<u>9,341,664</u>	<u>2,565,539</u>	<u>11,907,203</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related	<u>592,815</u>	<u>-</u>	<u>592,815</u>
<b>LIABILITIES</b>			
Accounts and other payables	102,818	337,800	440,618
Unearned revenue	-	45,824	45,824
Customers' deposits	-	33,956	33,956
Long-term liabilities:			
Net pension liability	<u>682,132</u>	<u>-</u>	<u>682,132</u>
Total liabilities	<u>784,950</u>	<u>417,580</u>	<u>1,202,530</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related	<u>18,569</u>	<u>-</u>	<u>18,569</u>
<b>NET POSITION</b>			
Net investment in capital assets	8,017,059	2,036,319	10,053,378
Restricted	1,199,791	-	1,199,791
Unrestricted (deficit)	<u>(85,890)</u>	<u>111,640</u>	<u>25,750</u>
Total net position	<u>\$ 9,130,960</u>	<u>\$ 2,147,959</u>	<u>\$ 11,278,919</u>

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

TOWN OF GUEYDAN, LOUISIANA

Statement of Activities  
For the Year Ended December 31, 2023

Activities	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:						
General government	\$ 393,328	\$ 87,327	\$ -	\$ (306,001)	\$ -	\$ (306,001)
Public safety	879,741	-	64,456	(815,285)	-	(815,285)
Public works	486,412	-	-	(486,412)	-	(486,412)
Culture and recreation	53,652	10,096	-	(43,556)	-	(43,556)
Total governmental activities	<u>1,813,133</u>	<u>97,423</u>	<u>64,456</u>	<u>(1,651,254)</u>	<u>-</u>	<u>(1,651,254)</u>
Business-type activities:						
Electricity	1,081,189	1,618,567	-	-	537,378	537,378
Gas	211,557	186,188	-	-	(25,369)	(25,369)
Water	288,417	200,541	262,439	-	174,563	174,563
Sewer	200,192	171,707	-	-	(28,485)	(28,485)
Total business-type activities	<u>1,781,355</u>	<u>2,177,003</u>	<u>262,439</u>	<u>-</u>	<u>658,087</u>	<u>658,087</u>
Total	<u>\$ 3,594,488</u>	<u>\$ 2,274,426</u>	<u>\$ 326,895</u>	<u>(1,651,254)</u>	<u>658,087</u>	<u>(993,167)</u>
General revenues:						
Taxes -						
Property taxes, levied for general purposes				20,818	-	20,818
Sales and use taxes, levied for general purposes				229,882	-	229,882
Beer taxes				2,580	-	2,580
Interest and investment earnings				18,018	2,161	20,179
Miscellaneous				34,929	-	34,929
Nonemployer pension contribution				20,042	-	20,042
Transfers				<u>1,183,361</u>	<u>(1,183,361)</u>	<u>-</u>
Total general revenues and transfers				<u>1,509,630</u>	<u>(1,181,200)</u>	<u>328,430</u>
Change in net position				(141,624)	(523,113)	(664,737)
Net position - beginning				<u>9,272,584</u>	<u>2,671,072</u>	<u>11,943,656</u>
Net position - ending				<u>\$ 9,130,960</u>	<u>\$ 2,147,959</u>	<u>\$ 11,278,919</u>

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

**FUND FINANCIAL STATEMENTS (FFS)**

TOWN OF GUEYDAN, LOUISIANA

Balance Sheet  
 Governmental Funds  
 December 31, 2023

	<u>General</u>	<u>Sales Tax Special Revenue</u>	<u>Other Governmental Funds</u>	<u>Total</u>
ASSETS				
Cash	\$ 29,127	\$ 200,052	\$ 168	\$ 229,347
Interest-bearing deposits	84,244	962,535	-	1,046,779
Receivables:				
Taxes Receivable	4,363	36,621	-	40,984
Accrued interest	-	415	-	415
Due from other funds	4,089	-	-	4,089
Prepaid insurance	<u>2,991</u>	<u>-</u>	<u>-</u>	<u>2,991</u>
Total assets	<u>\$ 124,814</u>	<u>\$ 1,199,623</u>	<u>\$ 168</u>	<u>\$ 1,324,605</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 68,094	\$ -	\$ -	\$ 68,094
Accrued expenses	<u>34,724</u>	<u>-</u>	<u>-</u>	<u>34,724</u>
Total liabilities	<u>102,818</u>	<u>-</u>	<u>-</u>	<u>102,818</u>
Fund balances:				
Nonspendable - prepaids	2,991	-	-	2,991
Restricted	-	1,199,623	168	1,199,791
Unassigned	<u>19,005</u>	<u>-</u>	<u>-</u>	<u>19,005</u>
Total fund balances	<u>21,996</u>	<u>1,199,623</u>	<u>168</u>	<u>1,221,787</u>
Total liabilities and fund balances	<u>\$ 124,814</u>	<u>\$ 1,199,623</u>	<u>\$ 168</u>	<u>\$ 1,324,605</u>

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

TOWN OF GUEYDAN, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
December 31, 2023

Total fund balances for governmental funds	\$ 1,221,787
Capital assets, net	8,017,059
Long-term liabilities:	
Net pension liability	(682,132)
Deferred outflows of resources related to net pension liability	592,815
Deferred inflows of resources related to net pension liability	<u>(18,569)</u>
Total net position of governmental activities	<u>\$ 9,130,960</u>

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

TOWN OF GUEYDAN, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances -  
 Governmental Funds  
 For the Year Ended December 31, 2023

	<u>General</u>	<u>Sales Tax Special Revenue</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Revenues:				
Taxes	\$ 20,818	\$ 229,882	\$ -	\$ 250,700
Licenses and permits	56,724	-	-	56,724
Intergovernmental	67,036	-	-	67,036
Charges for services	13,741	-	-	13,741
Fines and forfeitures	26,349	-	-	26,349
Interest	1,328	16,690	-	18,018
Other	<u>35,538</u>	<u>-</u>	<u>-</u>	<u>35,538</u>
Total revenues	<u>221,534</u>	<u>246,572</u>	<u>-</u>	<u>468,106</u>
Expenditures:				
Current -				
General government	326,285	21,041	-	347,326
Public safety	750,116	-	-	750,116
Public works	290,511	-	-	290,511
Culture and recreation	53,652	-	-	53,652
Capital outlays	<u>83,152</u>	<u>23,491</u>	<u>-</u>	<u>106,643</u>
Total expenditures	<u>1,503,716</u>	<u>44,532</u>	<u>-</u>	<u>1,548,248</u>
(Deficiency) excess of revenues over expenditures	<u>(1,282,182)</u>	<u>202,040</u>	<u>-</u>	<u>(1,080,142)</u>
Other financing sources (uses):				
Transfers in	1,282,473	-	-	1,282,473
Transfers out	<u>-</u>	<u>(99,112)</u>	<u>-</u>	<u>(99,112)</u>
Total other financing sources (uses)	<u>1,282,473</u>	<u>(99,112)</u>	<u>-</u>	<u>1,183,361</u>
Net changes in fund balances	291	102,928	-	103,219
Fund balances, beginning	<u>21,705</u>	<u>1,096,695</u>	<u>168</u>	<u>1,118,568</u>
Fund balances, ending	<u>\$ 21,996</u>	<u>\$ 1,199,623</u>	<u>\$ 168</u>	<u>\$ 1,221,787</u>

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

TOWN OF GUEYDAN, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and  
 Changes in Fund Balances of Governmental Funds  
 to the Statement of Activities  
 For the Year Ended December 31, 2023

Total net changes in fund balances per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ 103,219
Capital assets:		
Capital additions	\$ 106,653	
Depreciation expense	<u>(294,105)</u>	(187,452)
Leased assets:		
Accumulated amortization	(17,193)	
Principal payments	38,889	
Interest expense	<u>(1,009)</u>	20,687
The effect of the change in net pension liability and deferred outflows/inflows of resources:		
Change in pension expense	(98,120)	
Nonemployer pension contribution revenue recognized	<u>20,042</u>	<u>(78,078)</u>
Total changes in net position per Statement of Activities		<u>\$ (141,624)</u>

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

TOWN OF GUEYDAN, LOUISIANA

Proprietary Fund  
Statement of Net Position  
December 31, 2023

ASSETS

Current assets:	
Cash	\$ 96,632
Interest-bearing deposits	208,006
Accounts receivable, net of allowance	141,219
Grants receivable	25,000
Unbilled utility receivables	<u>28,496</u>
Total current assets	<u>499,353</u>
Noncurrent assets:	
Restricted assets -	
Interest-bearing deposits	33,956
Capital assets, net of accumulated depreciation	<u>2,036,319</u>
Total noncurrent assets	<u>2,070,275</u>
Total assets	<u>2,569,628</u>

LIABILITIES

Current liabilities:	
Accounts payable	332,416
Due to other funds	4,089
Accrued expenses	5,384
Unearned revenue	<u>45,824</u>
Total current liabilities	387,713
Noncurrent liabilities:	
Customers' deposits	<u>33,956</u>
Total liabilities	<u>421,669</u>

NET POSITION

Net investment in capital assets	2,036,319
Unrestricted	<u>111,640</u>
Total net position	<u>\$ 2,147,959</u>

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



TOWN OF GUEYDAN, LOUISIANA

Proprietary Fund  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
Year Ended December 31, 2023

Operating revenues:	
Charges for services	\$ 2,154,479
Miscellaneous	<u>22,524</u>
Total operating revenues	<u>2,177,003</u>
Operating expenses:	
Electric department expenses	1,072,569
Gas department expenses	184,652
Water department expenses	178,201
Sewerage department expenses	129,280
Depreciation	<u>216,653</u>
Total operating expenses	<u>1,781,355</u>
Operating income	<u>395,648</u>
Nonoperating revenues:	
Grant revenues	262,439
Interest income	<u>2,161</u>
Total nonoperating revenues	<u>264,600</u>
Income before transfers	660,248
Transfers in	24,710
Transfers out	<u>(1,208,071)</u>
Change in net position	(523,113)
Net position, beginning	<u>2,671,072</u>
Net position, ending	<u>\$ 2,147,959</u>

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

TOWN OF GUEYDAN, LOUISIANA

Statement of Cash Flows  
 Proprietary Fund  
 Year Ended December 31, 2023

Cash flows from operating activities:	
Receipts from customers	\$ 2,285,230
Payments to suppliers	(1,161,552)
Payments to employees	(282,321)
Other receipts	<u>22,855</u>
Net cash provided by operating activities	<u>864,212</u>
Cash flows from noncapital financing activities:	
Transfers from other funds	24,710
Transfers to other funds	(1,208,071)
Interfund liabilities	<u>(4,064)</u>
Net cash used by noncapital financing activities	<u>(1,187,425)</u>
Cash flows from capital and related financing activities:	
Grants and other contributions	28,000
Acquisition of capital assets	<u>(156,650)</u>
Net cash provided by capital and related financing activities	<u>(128,650)</u>
Cash flows from investing activities:	
Proceeds of investments and interest-bearing deposits with maturity in excess of ninety days	183,370
Interest on investments	<u>2,161</u>
Net cash provided by investing activities	<u>185,531</u>
Net change in cash and cash equivalents	(266,332)
Cash and cash equivalents, beginning of period	<u>604,926</u>
Cash and cash equivalents, end of period	<u>\$ 338,594</u>

(continued)

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

TOWN OF GUEYDAN, LOUISIANA

Statement of Cash Flows  
 Proprietary Fund (continued)  
 For the Year Ended December 31, 2023

Cash flows from operating activities:	
Operating income	\$ 395,648
Adjustments to reconcile operating income to net cash provided by operating activities -	
Depreciation	216,653
(Increase) decrease in operating assets	
Accounts receivable	136,064
Unbilled utilities receivable	(5,313)
Other assets	331
Increase (decrease) in operating liabilities	
Accounts payable	134,843
Accrued expenses	<u>(14,014)</u>
Net cash provided by operating activities	<u><u>\$ 864,212</u></u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:	
Cash and cash equivalents, beginning of period -	
Cash- unrestricted	\$ 549,356
Interest-bearing deposits, unrestricted	206,017
Interest-bearing deposits, restricted	32,923
Less: Interest-bearing deposits with a maturity in excess of 90 days	<u>(183,370)</u>
Total cash and cash equivalents	<u>604,926</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:	
Cash and cash equivalents, end of period -	
Cash- unrestricted	96,632
Interest-bearing deposits, unrestricted	208,006
Interest-bearing deposits, restricted	<u>33,956</u>
Total cash and cash equivalents	<u>338,594</u>
Net change	<u><u>\$ (266,332)</u></u>

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

## TOWN OF GUEYDAN, LOUISIANA

### Notes to Basic Financial Statements

#### (1) Summary of Significant Accounting Policies

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

##### A. Financial Reporting Entity

The Town was incorporated under the provisions of the Lawrason Act. The Town operates under a Mayor-Board of Aldermen form of government. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Town of Gueydan has no such component units.

##### B. Basis of Presentation

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

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

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

## TOWN OF GUEYDAN, LOUISIANA

### Notes to Basic Financial Statements

#### Fund Financial Statements

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

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

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

The major funds of the Town are described below:

#### Governmental Funds –

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

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

#### Enterprise Fund –

#### Utility Fund

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

## TOWN OF GUEYDAN, LOUISIANA

### Notes to Basic Financial Statements

Town applies all applicable principles under the Governmental Accounting Standards Board (GASB) in accounting and reporting for its enterprise fund.

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

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

##### Measurement Focus

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

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

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

##### Basis of Accounting

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

## TOWN OF GUEYDAN, LOUISIANA

### Notes to Basic Financial Statements

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

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

#### Program revenues

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

#### Allocation of indirect expenses

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

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

##### Cash and interest-bearing deposits

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

##### Interfund receivables and payables

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

TOWN OF GUEYDAN, LOUISIANA

Notes to Basic Financial Statements

receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include ad valorem and sales and use taxes. Business-type activities report customer's utility service receivables as their major receivables. Uncollectible ad valorem taxes or utility service receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At December 31, 2023, an allowance for ad valorem taxes was considered unnecessary due to immateriality. The allowance for uncollectibles for customers' utility receivables at December 31, 2023 was \$24,830. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2023, are recorded as prepaid items.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide or financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town maintains a threshold level of \$1,000 or more for capitalizing capital assets.

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

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

Buildings	40 years
Equipment	5 years
Utility system and improvements	20-40 years
Infrastructure	25-50 years



## TOWN OF GUEYDAN, LOUISIANA

### Notes to Basic Financial Statements

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

#### Compensated Absences

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

Sick and vacation leave is awarded on a calendar year basis and cannot be carried over to the next year; therefore, no liability for compensated absences is recorded in the financial statements.

#### Restricted Assets

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

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

Deferred outflows of resources, represents a consumption of net assets or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represents an acquisition of net assets or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

#### Equity Classifications

In the government-wide statements, net position is displayed in three components:

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

TOWN OF GUEYDAN, LOUISIANA

Notes to Basic Financial Statements

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

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

*Restricted* – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

*Committed* – amounts that can be used only for specific purposes determined by a formal action of the Board of Aldermen. The Board of Aldermen is the highest level of decision-making authority for the Town. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by board members.

*Assigned* – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Town’s adopted policy, only board members may assign amounts for specific purposes.

*Unassigned* – all other spendable amounts.

Restricted fund balances are composed of the following:

	Sales Tax Special Revenue	Nonmajor Funds	Total Governmental Funds
Restricted:			
Tax dedications	\$ 1,199,623	\$ -	\$ 1,199,623
Other purposes	<u>-</u>	<u>168</u>	<u>168</u>
Total fund balances	<u>\$ 1,199,623</u>	<u>\$ 168</u>	<u>\$ 1,199,791</u>

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

TOWN OF GUEYDAN, LOUISIANA

Notes to Basic Financial Statements

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

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

Expenditures/Expenses

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

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

- Governmental Funds - By Character
- Proprietary Fund - By Operating and Non-operating

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

Interfund Transfers

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

F. Revenue Restrictions

The Town has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Sales tax	See Note 4

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

TOWN OF GUEYDAN, LOUISIANA

Notes to Basic Financial Statements

G. Use of Estimates

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

H. Pensions

The net pension liability/asset, deferred outflows, and deferred inflows related to pensions, and pension expense has been determined using the flow of economic resources management focus and full accrual basis of accounting. Non-employer contributions are recognized as revenues in the government-wide financial statements. In the governmental fund financial statements contributions to the various pension systems are recognized as expenditures when due.

I. Leases

The Town recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements.

At the commencement of a lease, the Town initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

The Town uses the interest rate charged by the lessor as the discount rate, if provided. When the interest rate charged by the lessor is not provided, the Town uses its estimated incremental borrowing rate as the discount rate for leases. Lease payments included in the measurement of the lease liability are composed of fixed payments through the noncancellable term of the lease and renewal periods that management considers reasonably certain to be exercised.

The Town monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

(2) Cash and Interest-Bearing Deposits

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

TOWN OF GUEYDAN, LOUISIANA

Notes to Basic Financial Statements

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

Deposit balances (bank balances), are secured as follows:

Bank balances	<u>\$ 515,318</u>
Deposits are secured as follows:	
Insured Deposits	273,350
Uninsured and collateral held by the pledging bank, not in the Town's name	<u>241,968</u>
Total	<u>\$ 515,318</u>

State statutes authorize the Town to invest in Louisiana Asset Management Pool (LAMP), U.S. Treasury notes and bonds, U.S. agency securities, and other governmental debt obligations with limited exceptions as noted in LA-R.S. 32.2955. Investments in time certificates of deposit can be placed with state banks, national banks or federal credit unions as permitted in state statute. The Town has deposits with LAMP as follows:

<u>Description</u>	<u>Approximate Fair Value</u>
Governmental Activities:	
Louisiana Asset Management Pool (LAMP)	\$ 1,047,167
Business-Type Activities:	
Louisiana Asset Management Pool (LAMP)	<u>186,212</u>
	<u>\$ 1,233,379</u>

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33.2955.

## TOWN OF GUEYDAN, LOUISIANA

### Notes to Basic Financial Statements

LAMP is a governmental investment pool that reports at fair value. The following facts are relevant for investment pools:

- Credit risk: LAMP is rated AAAm by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate 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 30 days.
- Foreign currency risk: Not applicable.

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 board of directors. LAMP is not registered with the SEC as an investment company. An annual audit of LAMP is conducted by an independent certified public accountant. The Legislative Auditor of the State of Louisiana has full access to the records of LAMP. LAMP issues financial reports which can be obtained by writing: LAMP, Inc., 650 Poydras, Suite 2200, New Orleans, LA 70130.

#### (3) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town on December 1 and are due by February 28. The Town bills and collects its own property taxes. Property tax revenues are recognized when levied to the extent that they result in current receivables.

TOWN OF GUEYDAN, LOUISIANA

Notes to Basic Financial Statements

(4) Dedication of Proceeds and Flow of Funds - 1 Percent Sales and Use Tax

A one percent sales and use tax levied by the Town is dedicated to the following purposes:

Fifty percent of the net proceeds can be used for constructing, acquiring, improving and maintaining the Town's natural gas, waterworks and sewer systems, or for any one or more of said purposes, including payment of principal and interest on any bonded or funded indebtedness of the Town incurred for any of said purposes; and the Town shall be further authorized to fund the proceeds of the tax into bonds from time to time for any one or more of the aforesaid purposes. Fifty percent of the net proceeds can be used for paying the cost of equipment purchases, liability and health insurance and the repair and maintenance of the Town's infrastructure.

(5) Receivables

Receivables consist of the following:

	<u>General</u>	<u>Sales Tax</u>	<u>Utility</u>	<u>Total</u>
Accounts	\$ -	\$ -	\$ 141,219	\$ 141,219
Unbilled utility	-	-	28,496	28,496
Grants receivable	-	-	25,000	25,000
Taxes	4,363	36,621	-	40,984
Interest	-	415	-	415
Totals	<u>\$ 4,363</u>	<u>\$ 37,036</u>	<u>\$ 194,715</u>	<u>\$ 236,114</u>

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

Restricted assets consisted of customers' deposits totaling \$33,956.

(7) On-behalf Payments

The Town has recognized \$30,860 as revenue and expenditure for on-behalf salary payments made by the State of Louisiana.

TOWN OF GUEYDAN, LOUISIANA

Notes to Basic Financial Statements

(8) Capital Assets

Capital asset activity for the year was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 26,950	\$ -	\$ -	\$ 26,950
Construction in progress	<u>444,828</u>	<u>-</u>	<u>444,828</u>	<u>-</u>
Total capital assets not being depreciated	<u>471,778</u>	<u>-</u>	<u>444,828</u>	<u>26,950</u>
Capital assets being depreciated:				
Buildings	839,628	-	-	839,628
Infrastructure	12,518,474	444,838	-	12,963,312
Equipment, furniture and fixtures	1,169,374	106,643	-	1,276,017
Improvements other than buildings	<u>1,616,586</u>	<u>-</u>	<u>-</u>	<u>1,616,586</u>
Total capital assets being depreciated	<u>16,144,062</u>	<u>551,481</u>	<u>-</u>	<u>16,695,543</u>
Less accumulated depreciation:				
Buildings	456,780	21,735	-	478,515
Infrastructure	6,075,626	146,216	-	6,221,842
Equipment, furniture and fixtures	919,202	83,041	-	1,002,243
Improvements other than buildings	<u>959,721</u>	<u>43,113</u>	<u>-</u>	<u>1,002,834</u>
Total accumulated depreciation	<u>8,411,329</u>	<u>294,105</u>	<u>-</u>	<u>8,705,434</u>
Total capital assets being depreciated, net	<u>7,732,733</u>	<u>257,376</u>	<u>-</u>	<u>7,990,109</u>
Governmental activities, capital assets, net	<u>\$ 8,204,511</u>	<u>\$ 257,376</u>	<u>\$ 444,828</u>	<u>\$ 8,017,059</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 45,003
Public safety	31,505
Public works	<u>217,597</u>
Total depreciation expense	<u>\$ 294,105</u>



TOWN OF GUEYDAN, LOUISIANA

Notes to Basic Financial Statements

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities:				
Capital assets being depreciated:				
Electric system	\$ 1,488,579	\$ 44,132	\$ -	\$ 1,532,711
Gas system	1,552,672	2,616	-	1,555,288
Water system	3,707,586	107,255	-	3,814,841
Sewer system	<u>4,007,642</u>	<u>2,647</u>	-	<u>4,010,289</u>
Totals	<u>10,756,479</u>	<u>156,650</u>	-	<u>10,913,129</u>
Less accumulated depreciation:				
Electric system	1,403,132	8,620	-	1,411,752
Gas system	1,232,630	26,905	-	1,259,535
Water system	2,862,393	110,216	-	2,972,609
Sewer system	<u>3,162,002</u>	<u>70,912</u>	-	<u>3,232,914</u>
Total accumulated depreciation	<u>8,660,157</u>	<u>216,653</u>	-	<u>8,876,810</u>
Business-type activities, capital assets, net	<u>\$ 2,096,322</u>	<u>\$ (60,003)</u>	<u>\$ -</u>	<u>\$ 2,036,319</u>

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

Electric	\$ 8,620
Gas	26,905
Water	110,216
Sewer	<u>70,912</u>
Total depreciation expense	<u>\$ 216,653</u>

(9) Accounts, Salaries, and Other Payables

The accounts, salaries, and other payables consisted of the following:

	Governmental Activities	Business-type Activities	Total
Accounts	\$ 68,094	\$ 332,416	\$ 400,510
Other liabilities	<u>34,724</u>	<u>5,384</u>	<u>40,108</u>
Totals	<u>\$ 102,818</u>	<u>\$ 337,800</u>	<u>\$ 440,618</u>

TOWN OF GUEYDAN, LOUISIANA

Notes to Basic Financial Statements

(10) Risk Management

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

(11) Commitments and Contingencies

At December 31, 2023, there is no pending litigation against the Town of Gueydan.

(12) Interfund Transfers

Transfers consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 1,282,473	\$ -
Sales Tax Special Revenue Fund	-	99,112
Enterprise Fund	<u>24,710</u>	<u>1,208,071</u>
Total	<u>\$ 1,307,183</u>	<u>\$ 1,307,183</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

(13) Leases

The Town recognizes a lease liability and a right-of-use lease asset (lease asset) in the government wide financial statements. The leased activity for the year follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Right-to-use asset	\$ 182,472	\$ -	\$ -	\$ 182,472
Less: accumulated amortization	<u>145,977</u>	<u>36,495</u>	<u>-</u>	<u>182,472</u>
Right-to-use asset, net	<u>\$ 36,495</u>	<u>\$ (36,495)</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF GUEYDAN, LOUISIANA

Notes to Basic Financial Statements

The following is a summary of changes in the lease liability for the year:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Right-to-use lease liability	\$ 57,182	\$ -	\$ (57,182)	\$ -	\$ -

At the commencement of the lease, the Town initially measured the lease liability at the present value of payments expected to be made during the lease terms. For purposes of discounting future payments on the lease, the Town used the interest rate of 2.53%. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter or its useful life or the lease terms.

(14) Employee Retirement

The Town is a participating employer in a cost-sharing defined benefit pension plan. These plans are administered by the Municipal Police Employee’s Retirement System of Louisiana (MPERS) and Firefighters’ Retirement System (FRS).

Each of the retirement systems issues an annually publicly available stand-alone report on their financial statements and required supplementary information. These reports may be obtained on each retirement system’s website or on the Louisiana Legislative Auditor’s website as follows:

- Municipal Police Employees’ Retirement System – [www.mpersla.com](http://www.mpersla.com)
- Firefighters’ Retirement System – [www.ffret.com](http://www.ffret.com)
- Louisiana Legislative Auditor – [www.la.la.gov](http://www.la.la.gov)

Plan description:

Municipal Police Employees’ Retirement System of Louisiana (MPERS)

Eligibility Requirements: Membership in the MPERS 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. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Retirement Benefits: Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

## TOWN OF GUEYDAN, LOUISIANA

### Notes to Basic Financial Statements

Membership Prior to January 1, 2013: A member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years creditable service and is age 55. A member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age with an actuarially reduced benefit.

Benefit rates are three and one-third percent of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service, not to exceed 100% of final salary.

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

Membership Commencing January 1, 2013: Member eligibility for regular retirement, early retirement, disability and survivor benefits are based on Hazardous Duty and Non-Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non-Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55.

Under the Hazardous and Non-Hazardous Duty sub plans, the benefit rates are three percent and two and a half percent, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

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

Cost of Living Adjustments: The Board of Trustees is authorized to provide annual cost-of-living adjustments (COLA) 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 cutoff 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.

TOWN OF GUEYDAN, LOUISIANA

Notes to Basic Financial Statements

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

Deferred Retirement Option Plan: A member is eligible to elect to enter the deferred retirement option plan (DROP) when he is eligible for regular retirement based on the members' sub plan participation. Upon filing the application for the program, the employee's active membership in the System is terminated. At the entry date into the DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DROP is thirty-six months or less. If employment is terminated after the three-year period, the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership into the System shall resume and upon later termination, he shall receive additional retirement benefit based on the additional service. For those eligible to enter DROP prior to January 1, 2004, DROP accounts shall earn interest subsequent to the termination of DROP participation at a rate of half of one percentage point below the percentage rate of return of the System's investment portfolio as certified by the actuary on an annual basis but will never lose money. For those eligible to enter the System's investment portfolio return or a money market investment return. This could result in a negative earnings rate being applied to the account.

If the member elects a money market investment return, the funds are transferred to a government money market account and earn interest at the money market rate.

Initial Benefit Option Plan: In 1999, the State Legislature authorized the System to establish an Initial Benefit Option program. Initial Benefit Option is available to members who are eligible for regular retirement and have not participated in DROP. The Initial Benefit Option program provides both a one-time single sum payment of up to 36 months of regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest is computed on the balance based on same criteria as DROP.

Firefighters' Retirement System (FRS)

Benefit provisions are authorized within Act 434 of 1979 and amended by LRS 11:2251- 11:2272. The following is a brief description of the plan and its benefits and is provided for general informational purposes only. Participants should refer to the appropriate statutes for more complete information.

Eligibility Requirements: Any person who becomes an employee as defined in R.S. 11:2252 on and after January 1, 1980, shall become a member as a condition of employment. Membership in the System is a condition of employment for any full-time firefighters, eligible employees of the retirement system, or any person in a position as defined in the municipal fire and police civil service system that earns at least \$375 per month, excluding state supplemental pay, and are employed by a fire department of any municipality, parish, or fire district of the State of Louisiana, except for Orleans Parish and the City of Baton Rouge.

No person who has attained age 50 or over shall become a member of the System unless the person becomes a member by reason of a merger or unless the System received an application for membership before the applicant attained the age of 50. No person who has not attained the age of 18 years shall become a member of the System.

TOWN OF GUEYDAN, LOUISIANA

Notes to Basic Financial Statements

Any person who has retired from service under any retirement system or pension fund maintained basically for public officers and employees of the state, its agencies or political subdivisions, and who is receiving retirement benefits therefrom may become a member of this System, provided the person meets all other requirements for membership. Service credit from the retirement system or pension plan from which the member is retired shall not be used for reciprocal recognition of service with this System, or for any other purpose in order to attain eligibility or increase the amount of service credit in this System.

Retirement Benefits: Employees with 20 or more years of service who have attained age 50, or employees who have 12 years of service who have attained age 55, or 25 years of service at any age are entitled to annual pension benefits equal to 3.333% of their average final compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100%. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity.

If employees terminate before rendering 12 years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to their employer's contributions.

Benefits are payable over the employees' lives in the form of a monthly annuity. An employee may elect an unreduced benefit or any of seven options at retirement.

Disability benefits: A member who acquires a disability, and who files for disability benefits while in service, and who upon medical examination and certification as provided for in Title 11, is found to have a total disability solely as the result of injuries sustained in the performance of his official duties, or for any cause, provided the member has at least five years of creditable service and provided that the disability was incurred while the member was an active contributing member in active service, shall be entitled to disability benefits under the provisions of R.S. 11:2258(B).

Death Benefits: Benefits shall be payable to the surviving eligible spouse or designated beneficiary of a deceased member as specified in R.S. 11:2256(B) & (C).

Deferred Retirement Option Plan Benefits: After completing 20 years of creditable service and age 50 or 25 years at any age, a member may elect to participate in the deferred retirement option plan (DROP) for up to 36 months.

Upon commencement of participation in DROP, employer and employee contributions to the System cease. The monthly retirement benefits that would have been payable is paid into the member's DROP account. Upon termination of employment, a participant in the program has several options to receive their DROP benefit. A member may (1) elect to roll over all or a portion of their DROP balance into another eligible qualified plan, (2) receive a lump-sum payment from the account, (3) receive single withdrawals at the discretion of the member, (4) receive monthly or annual withdrawals, or (5) receive an annuity based on the DROP account balance. These withdrawals are in addition to his regular monthly benefit.

If employment is not terminated at the end of the 36 months, the participant resumes regular contributions to the System. No payments may be made from the deferred retirement option plan account until the participant retires.

Initial Benefit Option Plan: Effective June 16, 1999, members eligible to retire and who do not choose to participate in DROP may elect to receive, at the time of retirement, an initial benefit option

TOWN OF GUEYDAN, LOUISIANA

Notes to Basic Financial Statements

(IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. Such amounts may be withdrawn or remain in the IBO account earning interest at the same rate as the DROP account.

Cost of Living Adjustments (COLAs): Under the provisions of R.S. 11:246 and 11:2260(A)(7), the board of trustees is authorized to grant retired members and widows of members who have retired an annual cost of living increase of up to 3% of their current benefit, and all retired members and widows who are 65 years of age and older a 2% increase in their original benefit. In order for the board to grant either of these increases, the System must meet certain criteria detailed in the statute related to funding status and interest earnings (R.S. 11:243). In lieu of these COLAs, pursuant to 11:241, the board may also grant an increase based on a formula equal to up to \$1 times the total number of years of credited service accrued at retirement or at death of the member or retiree plus the number of years since retirement or since death of the member or retiree to June 30th preceding the payment of benefit increase.

Funding policy:

Employer Contributions: According to state statute, contribution requirements for all employers are actuarially determined each year for MPERS and FRS. The contribution rates in effect for the year for the Town were as follows:

	<u>Employer</u>
Municipal Police Employees' Retirement System of Louisiana	
Hired prior to 1/1/2013	31.25%
Hazardous Duty Members hired after 1/1/2013	31.25%
Non Hazardous Duty Members hired after 1/1/2014	31.25%
Earnable compensation is below poverty limit	33.75%
Firefighters Retirement System of Louisiana	
Earnable compensation is above poverty limit	33.25%
Earnable compensation is below poverty limit	35.25%

In accordance with state statute, the System receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities. None-employer contributions are recognized as revenue and excluded from pension expense. The Town recognized non-employer contributions as follows:

Municipal Police Employees' Retirement System of Louisiana	\$ 10,010
Firefighters Retirement System of Louisiana	<u>10,032</u>
	<u>\$ 20,042</u>

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 based on the measurement dates. The Town uses this measurement to record its net pension liability and associated amounts in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at the measurement date for each plan, along with the change compared to prior year rates. The Town's proportion of the net

TOWN OF GUEYDAN, LOUISIANA

Notes to Basic Financial Statements

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, determined by an actuarial valuation as of the measurement date.

	Net Pension Liability at Measurement Date	Measurement Rate		Increase (Decrease)
	Governmental Activities	Current	Previous	
MPERS	\$ 458,530	0.043401%	0.006937%	0.036464%
FRS	<u>223,602</u>	0.034259%	0.000000%	0.034259%
Total	<u>\$ 682,132</u>			

The following schedule lists the pension plan's recognized pension expense of the Town for the year:

Municipal Police Employees' Retirement System of Louisiana	\$ 133,005
Firefighters Retirement System of Louisiana	<u>69,784</u>
	<u>\$ 202,789</u>

The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows		
	MPERS	FRS	Total
Difference between expected and actual experience	\$ 32,299	\$ 6,981	\$ 39,280
Change of assumptions	7,651	13,530	21,181
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	249,143	151,604	400,747
Net differences between projected and actual earnings on plan investments	49,501	30,306	79,807
Contributions subsequent to the measurement date	<u>30,195</u>	<u>21,605</u>	<u>51,800</u>
Totals	<u>\$ 368,789</u>	<u>\$ 224,026</u>	<u>\$ 592,815</u>



TOWN OF GUEYDAN, LOUISIANA

Notes to Basic Financial Statements

	Deferred Inflows		
	MPERS	FRS	Total
Difference between expected and actual experience	\$ -	\$ -	\$ -
Change of assumptions	-	-	-
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	10,716	-	10,716
Net differences between projected and actual earnings on plan investments	192	7,661	7,853
Contributions subsequent to the measurement date	-	-	-
Totals	<u>\$ 10,908</u>	<u>\$ 7,661</u>	<u>\$ 18,569</u>

Deferred outflows of resources related to pensions resulting from the Town's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent period as follows:

Municipal Police Employees' Retirement System of Louisiana	\$ 30,292
Firefighters Retirement System of Louisiana	<u>21,605</u>
	<u>\$ 51,897</u>

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 Ended	MPERS	FRS	Total
<u>December 31:</u>			
2024	\$ 106,169	\$ 35,081	\$ 141,250
2025	100,289	30,048	130,337
2026	123,690	53,401	177,091
2027	(2,462)	24,401	21,939
2028	-	25,591	25,591
2029	-	26,238	26,238
	<u>\$ 327,686</u>	<u>\$ 194,760</u>	<u>\$ 522,446</u>

Actuarial Methods and Assumptions:

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

TOWN OF GUEYDAN, LOUISIANA

Notes to Basic Financial Statements

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

	<u>MPERS</u>	<u>FRS</u>
Valuation Date	June 30, 2023	June 30, 2023
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	6.750%, net of investment expense	6.900%, net of investment expense
Projected Salary Increases	1 to 2 years of service 12.30%; more than 2 years of service 4.70%	1 to 2 years of service 14.10%; more than 2 years of service 5.20%
Expected Remaining Service Lives	4 years	7 years

Mortality:

Municipal Police Employees' Retirement System (MPERS) –

Annuitants 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 MP2019 scale was used.

Disabled lives, the Pub-2010 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP-2019 scale 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 MP-2019 scale was used.

Firefighters' Retirement System (FRS) –

For active members, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees.

For annuitants and beneficiaries, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees.

For disabled retirees, mortality was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees.

In all cases the base table was multiplied by 105% for males and 115% for females, each with full generational projection using the appropriate MP-2019 scale.

TOWN OF GUEYDAN, LOUISIANA

Notes to Basic Financial Statements

Cost-of-Living Adjustments:

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

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

Asset Class	Target Allocation		Long-Term Expected Portfolio Real Rate of Return	
	MPERS	FRS	MPERS	FRS
Equity	52.00%	56.00%	3.29%	27.59%
Fixed income	34.00%	26.00%	1.12%	7.91%
Alternatives	14.00%	18.00%	0.95%	19.60%
Other	0.00%	0.00%	0.00%	4.02%
Totals	<u>100.00%</u>	<u>100.00%</u>	5.36%	
Inflation			2.54%	2.50%
Expected Arithmetic Nominal Return			<u>7.90%</u>	<u>6.90%</u>

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of System's actuary. Based on those assumptions, System'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.

Sensitivity to Changes in the Discount Rate: The following table presents the Town's net pension liability, using the discount rate of the retirement system, as well as what the Town's net pension liability 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:

	1% Decrease	Current Discount	1% Increase
MPERS			
Discount Rates	5.75%	6.75%	7.75%
Net Pension Liability	\$ 645,188	\$ 458,530	\$ 302,602
FRS			
Discount Rates	5.90%	6.90%	7.90%
Net Pension Liability (Asset)	\$ 344,951	\$ 223,602	\$ 122,392

**REQUIRED  
SUPPLEMENTARY INFORMATION**

TOWN OF GUEYDAN, LOUISIANA  
General Fund

Budgetary Comparison Schedule  
Year Ended December 31, 2023

	Budget		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 20,000	\$ 20,000	\$ 20,818	\$ 818
Licenses and permits	67,457	57,457	56,724	(733)
Intergovernmental	329,427	36,176	67,036	30,860
Charges for services	12,400	13,200	13,741	541
Fines and forfeitures	8,000	20,000	26,349	6,349
Interest	300	300	1,328	1,028
Other	20,400	79,716	35,538	(44,178)
Total revenues	<u>457,984</u>	<u>226,849</u>	<u>221,534</u>	<u>(5,315)</u>
<b>Expenditures:</b>				
Current -				
General government	245,675	282,139	326,285	(44,146)
Public safety	562,026	688,635	750,116	(61,481)
Public works	223,859	239,773	290,511	(50,738)
Culture and recreation	37,750	44,136	53,652	(9,516)
Capital outlays	-	50,517	83,152	(32,635)
Total expenditures	<u>1,069,310</u>	<u>1,305,200</u>	<u>1,503,716</u>	<u>(198,516)</u>
Deficiency of revenues over expenditures	<u>(611,326)</u>	<u>(1,078,351)</u>	<u>(1,282,182)</u>	<u>(203,831)</u>
<b>Other financing sources:</b>				
Transfers in	<u>750,000</u>	<u>1,174,402</u>	<u>1,282,473</u>	<u>108,071</u>
Net change in fund balance	138,674	96,051	291	(95,760)
Fund balance, beginning	<u>21,705</u>	<u>21,705</u>	<u>21,705</u>	<u>-</u>
Fund balance, ending	<u>\$ 160,379</u>	<u>\$ 117,756</u>	<u>\$ 21,996</u>	<u>\$ (95,760)</u>

TOWN OF GUEYDAN, LOUISIANA  
Sales Tax Special Revenue Fund

Budgetary Comparison Schedule  
Year Ended December 31, 2023

	Budget		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
Revenues:				
Taxes	\$ 300,000	\$ 300,000	\$ 229,882	\$ (70,118)
Interest	<u>1,500</u>	<u>1,593</u>	<u>16,690</u>	<u>15,097</u>
Total revenue	<u>301,500</u>	<u>301,593</u>	<u>246,572</u>	<u>(55,021)</u>
Expenditures:				
Current -				
General government	-	-	21,041	(21,041)
Capital outlay	<u>-</u>	<u>42,416</u>	<u>23,491</u>	<u>18,925</u>
Total expenditures	<u>-</u>	<u>42,416</u>	<u>44,532</u>	<u>(2,116)</u>
Excess of revenues over expenditures	<u>301,500</u>	<u>259,177</u>	<u>202,040</u>	<u>(57,137)</u>
Other financing sources (uses):				
Transfers out	<u>-</u>	<u>(99,112)</u>	<u>(99,112)</u>	<u>-</u>
Net change in fund balance	301,500	160,065	102,928	(57,137)
Fund balance, beginning	<u>1,096,695</u>	<u>1,096,695</u>	<u>1,096,695</u>	<u>-</u>
Fund balance, ending	<u>\$ 1,398,195</u>	<u>\$ 1,256,760</u>	<u>\$ 1,199,623</u>	<u>\$ (57,137)</u>

TOWN OF GUEYDAN, LOUISIANA

Schedule of Employer's Share of Net Pension Liability  
For the Year Ended December 31, 2023

* Year ended December 31,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
<b>Municipal Police Employees' Retirement System</b>					
2015	0.014812%	\$ 116,037	\$ 39,621	292.87%	70.73%
2016	0.012366%	\$ 115,904	\$ 34,642	334.58%	66.04%
2017	0.011955%	\$ 104,372	\$ 36,524	285.76%	70.08%
2018	0.010477%	\$ 88,573	\$ 30,920	286.46%	71.89%
2019	0.010787%	\$ 97,964	\$ 33,687	290.81%	71.01%
2020	0.000000%	\$ -	\$ -	0.00%	0.00%
2021	0.000000%	\$ -	\$ -	0.00%	0.00%
2022	0.006937%	\$ 70,908	\$ 31,685	223.79%	70.80%
2023	0.043401%	\$ 458,530	\$ 93,887	488.38%	71.30%
<b>Firefighters' Employees' Retirement System</b>					
2023	0.034259%	\$ 223,602	\$ 33,753	662.47%	77.69%

\* The amounts presented have a measurement date of June 30.

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

TOWN OF GUEYDAN, LOUISIANA

Schedule of Employer Contributions  
For the Year Ended December 31, 2023

Year ended December 31,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
Municipal Police Employees' Retirement System					
2015	\$ 10,758	\$ 10,758	\$ -	\$ 35,285	30.49%
2016	\$ 11,199	\$ 11,199	\$ -	\$ 35,018	31.98%
2017	\$ 10,592	\$ 10,592	\$ -	\$ 34,042	31.11%
2018	\$ 10,319	\$ 10,319	\$ -	\$ 32,111	32.14%
2019	\$ 10,864	\$ 10,864	\$ -	\$ 33,687	32.25%
2020	\$ -	\$ -	\$ -	\$ -	32.50%
2021	\$ -	\$ -	\$ -	\$ -	33.75%
2022	\$ 28,929	\$ 28,929	\$ -	\$ 93,887	30.81%
2023	\$ 52,155	\$ 52,155	\$ -	\$ 159,275	32.75%
Firefighters' Employees' Retirement System					
2023	\$ 41,213	\$ 41,213	\$ -	\$ 123,950	33.25%

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



TOWN OF GUEYDAN, LOUISIANA

Notes to Required Supplementary Information

(1) Budgets and Budgetary Accounting

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

- (a) The Town Clerk prepares a proposed operating budget for the fiscal year and submits it to the Mayor and Board of Aldermen not later than fifteen days prior to the beginning of each fiscal year.
- (b) A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- (c) A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
- (d) After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a resolution prior to the commencement of the fiscal year for which the budget is being adopted.
- (e) Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
- (f) All budgetary appropriations lapse at the end of each fiscal year.
- (g) Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Board of Aldermen.

At December 31, the General Fund and Sales Tax Fund reported expenditures in excess of appropriations.

TOWN OF GUEYDAN, LOUISIANA

Notes to Required Supplementary Information

(2) Retirement Systems

Changes of benefit terms –

There were no changes of benefit terms.

Change of assumptions –

* Year ended December 31,	Discount Rate	Investment Rate of Return	Inflation Rate	Expected Remaining Service Lives	Projected Salary Increase	
					Lower Range	Upper Range
<u>Municipal Police Employees' Retirement System</u>						
2015	7.500%	7.500%	2.875%	4	4.25%	9.75%
2016	7.500%	7.500%	2.875%	4	4.25%	9.75%
2017	7.325%	7.325%	2.700%	4	4.25%	9.75%
2018	7.200%	7.200%	2.600%	4	4.25%	9.75%
2019	7.125%	7.125%	2.500%	4	4.25%	9.75%
2020	7.125%	7.125%	2.500%	4	4.25%	9.75%
2021	6.950%	6.950%	2.500%	4	4.70%	12.30%
2022	6.750%	6.750%	2.220%	4	4.70%	12.30%
2023	6.750%	6.750%	2.500%	4	4.70%	12.30%
<u>Firefighters' Employees' Retirement System</u>						
2023	6.900%	6.900%	2.500%	7	5.20%	14.10%

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

**SUPPLEMENTARY INFORMATION**

TOWN OF GUEYDAN, LOUISIANA

Schedules of Compensation  
For the year ended December 31, 2023

A detail of compensation, benefits, and other payments paid to Mayor Jude Reese for the year ended was as follows:

<u>Purpose</u>	<u>Amount</u>
Salary	<u>\$ 16,800</u>

A detail of compensation paid to the Board of Aldermen for the year ended was as follows:

Anita Dupuis	\$ 3,000
John Laseter	3,000
Jason Suire	3,000
Laurel Portie'	3,000
Erem Livingston	<u>3,000</u>
	<u>\$ 15,000</u>

TOWN OF GUEYDAN, LOUISIANA

Justice System Funding Schedule - Collecting/Disbursing Entity  
 As Required by Act 87 of the 2020 Regular Legislative Session  
 For the Year Ended December 31, 2023

Cash Basis Presentation	Six Month Period Ended <u>6/30/2023</u>	Six Month Period Ended <u>12/31/2023</u>
Beginning Balance of Amounts Collected	\$ -	\$ 11,429
Add: Collections		
Civil Fees	8,672	13,814
Criminal Court Costs/Fees	1,469	2,325
Criminal Fines - Contempt	600	244
Service/Collection Fees	<u>1,148</u>	<u>1,307</u>
Subtotal Collections	<u>11,889</u>	<u>17,690</u>
Less: Disbursements To Governments & Nonprofits:		
Acadiana Criminalistics Laboratory, Criminal Court Costs/Fees	50	120
DHH-Traumatic Head & Spinal Cord Trust, Criminal Court Costs/Fees	60	105
LA Comm on Law Enforcement, Criminal Court Costs/Fees	177	269
Judicial Administration CMIS, Criminal Court Costs/Fees	24	39
Crime Victims Reparation Fund, Criminal Court Costs/Fees	47	78
Vermilion Parish Crime Stoppers, Criminal Court Costs/Fees	<u>102</u>	<u>190</u>
Subtotal Disbursements	<u>460</u>	<u>801</u>
Total Ending balance of amounts collected but not disbursed	<u>\$ 11,429</u>	<u>\$ 28,318</u>

**OTHER INFORMATION**

TOWN OF GUEYDAN, LOUISIANA  
Enterprise Fund  
Utility Fund

Comparative Departmental Analysis of Operating Revenues and Expenses  
Years Ended December 31, 2023 and 2022

	Electricity		Gas		Water		Sewer		Totals	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Operating revenues:										
Charges for services	\$ 1,601,821	\$ 2,020,546	\$ 184,262	\$ 296,707	\$ 198,466	\$ 200,032	\$ 169,930	\$ 170,930	\$ 2,154,479	\$ 2,688,215
Other revenues	16,746	22,220	1,926	3,263	2,075	2,200	1,777	1,880	22,524	29,563
Total operating revenues	<u>1,618,567</u>	<u>2,042,766</u>	<u>186,188</u>	<u>299,970</u>	<u>200,541</u>	<u>202,232</u>	<u>171,707</u>	<u>172,810</u>	<u>2,177,003</u>	<u>2,717,778</u>
Operating expenses:										
Salaries - plant	118,514	104,011	51,451	49,946	13,814	36,018	43,763	35,838	227,542	225,813
Fuel purchased	805,866	1,234,897	72,336	206,884	-	-	-	-	878,202	1,441,781
Insurance	16,061	9,194	904	739	5,401	4,446	3,051	2,934	25,417	17,313
Insurance - employees	12,410	11,942	6,040	4,592	-	10,084	4,391	5,598	22,841	32,216
Materials and supplies	25,271	32,277	2,836	14,415	22,071	11,793	26,684	16,145	76,862	74,630
Auditing and accounting	4,092	3,539	4,092	3,539	2,235	3,539	4,092	3,539	14,511	14,156
Printing, stationary, and supplies	8,583	7,692	-	-	-	-	-	-	8,583	7,692
Depreciation	8,620	7,502	26,905	26,907	110,216	105,963	70,912	73,077	216,653	213,449
Repairs and maintenance	39,813	45,918	23,001	25,022	7,724	14,125	11,907	27,526	82,445	112,591
Seminars and workshops	-	-	2,910	7,855	2,105	977	1,905	1,220	6,920	10,052
Utilities	-	-	407	384	21,263	29,274	23,131	37,437	44,801	67,095
Payroll taxes	8,735	7,621	3,830	3,684	1,071	2,539	4,288	2,706	17,924	16,550
Bad debt expense	12,703	-	-	-	-	-	-	-	12,703	-
Miscellaneous	20,521	12,055	16,845	11,993	102,517	45,810	6,068	25,615	145,951	95,473
Total operating expenses	<u>1,081,189</u>	<u>1,476,648</u>	<u>211,557</u>	<u>355,960</u>	<u>288,417</u>	<u>264,568</u>	<u>200,192</u>	<u>231,635</u>	<u>1,781,355</u>	<u>2,328,811</u>
Net operating income (loss)	<u>\$ 537,378</u>	<u>\$ 566,118</u>	<u>\$ (25,369)</u>	<u>\$ (55,990)</u>	<u>\$ (87,876)</u>	<u>\$ (62,336)</u>	<u>\$ (28,485)</u>	<u>\$ (58,825)</u>	<u>\$ 395,648</u>	<u>\$ 388,967</u>

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



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

Mr. Jude Reese, Mayor  
and members of the Board of Aldermen  
Town of Gueydan, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Gueydan, Louisiana, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town of Gueydan, Louisiana's basic financial statements and have issued our report thereon dated June 12, 2024.

### Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Gueydan, 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 Gueydan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Gueydan'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 Town's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as items 2023-001 through 2023-004 that we consider to be material weaknesses.

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

As part of obtaining reasonable assurance about whether the Town of Gueydan’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of current and prior year findings and management’s corrective action plan as items 2023-005 and 2023-006.

## **Town of Gueydan’s Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Town’s response to the findings identified in our audit and described in the accompanying schedule of current and prior year audit findings and management’s corrective action plan. The Town’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **Purpose of this Report**

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

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

Abbeville, Louisiana  
June 12, 2024

TOWN OF GUEYDAN, LOUISIANA

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year Ended December 31, 2023

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

A. Internal Control Over Financial Reporting

2023-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

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

CRITERIA: Committee of Sponsoring Organizations (COSO) *Internal Control –Integrated Framework* and the Louisiana Legislative Auditor's *Governmental Auditing Guide*

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

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

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

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Town has determined that it is not cost effective to achieve complete segregation of duties within the accounting department. The Mayor and Town Clerk had implemented policies and procedures where the Mayor reviews and approves reports and reconciliations done by the employees in the accounting department.

TOWN OF GUEYDAN, LOUISIANA

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
Year Ended December 31, 2023

2023-002      Application of Generally Accepted Accounting Principles (GAAP)

Fiscal year finding initially occurred: Unknown

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

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

CAUSE: The cause of the condition results from a reliance on the external auditor as part of the internal control process.

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

RECOMMENDATION: Management should evaluate the additional costs required to achieve the desired benefit and determine if it is economically feasible in relation to the benefit received.

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

TOWN OF GUEYDAN, LOUISIANA

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
Year Ended December 31, 2023

2023-003      Financial Records/Reconciliations

Fiscal year finding initially occurred: Unknown

CONDITION: The Town of Gueydan failed to reconcile interfund transactions and subsidiary ledgers on a monthly basis. Additionally, on certain occasions, the bank reconciliations were not in agreement with general ledger balances.

CRITERIA: Internal control is a process - effected by those charged with governance, management, and other personnel - designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The Town's internal control over financial reporting includes those policies and procedures that pertain to the Town's ability to record, process, summarize, and report financial data consistent with the assertions embodied in the financial statements.

CAUSE: The cause of the condition is failure to assign a Town employee with the task of reconciling the accounts mentioned above and the failure to review these reconciliations on a periodic basis.

EFFECT: Failure to reconcile the accounts mentioned above on a periodic basis increases the risk that unaudited trial balance accounts may not correspond between funds or be in balance. Additionally, unrecorded items may go undetected and the Town may not be able to determine actual cash balances, or if proper funding is available to pay vendors and/or monthly bills.

RECOMMENDATION: We recommend that the Town implement internal controls to ensure that these accounts are reconciled on a periodic basis. Additionally, we recommend that the Town properly train employees assigned to perform bank reconciliations, and review work performed on a monthly basis to determine that reconciliations are being performed correctly and in a timely manner.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Mayor and Town Clerk are seeking assistance with the preparation of these reconciliations so that accounting records will be reconciled correctly and timely.

TOWN OF GUEYDAN, LOUISIANA

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
Year Ended December 31, 2023

2023-004 Inadequate Controls Over Inventory and Assets

Fiscal year finding initially occurred: Unknown

CONDITION: The Town does not maintain a list of the inventory and assets of the Town or departments on a perpetual basis.

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

CAUSE: The Town does not have adequate controls or policies and procedures established to ascertain that inventory and assets are properly maintained and tracked.

EFFECT: Failure to have adequate controls over inventory and assets increases the risk that misappropriation of the inventory or assets could go undetected.

RECOMMENDATION: The Town should implement control procedures to ensure assets are properly monitored and annual inventory inspections reconcile to the Town's inventory listing.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Town is implementing control procedures immediately to ensure assets are properly monitored within each department and inventory inspections are performed at least annually.

B. Compliance

2023-005 Local Government Budget Act Noncompliance

Fiscal year finding initially occurred: Unknown

CONDITION: Expenditures of the General Fund exceeded budgeted expenditures by more than 5% and revenues of the Sales Tax Fund failed to meet the total budgeted revenues by more than 5%.

CRITERIA: LSA-RS 39:1311 et seq, Budget Authority and Control, provides for the following:

“A. The adopted budget and any duly authorized adopted amendments shall form the framework from which the chief executive or administrative officers and members of the governing

TOWN OF GUEYDAN, LOUISIANA

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
Year Ended December 31, 2023

authority of the political subdivision shall monitor revenues and control expenditures. The chief executive or administrative officer for a political subdivision subject to public participation shall advise the governing authority or independently elected official in writing when:

- (1) Total revenues and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more.
- (2) Total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more.
- (3) Actual beginning fund balance, within a fund, fails to meet estimated beginning fund balance by five percent or more and fund balance is being used to fund current year expenditures.”

CAUSE: The condition is a result of failure to properly monitor the expenditures of the General Fund and revenues of the Sales Tax Fund.

EFFECT: The Town is in violation of R.S. 39:1311.

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

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Town will work closely and compare revenues and expenditures to comply with the Louisiana Local Budget Act.

TOWN OF GUEYDAN, LOUISIANA

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
Year Ended December 31, 2023

2023-006      Louisiana Public Bid Law

Fiscal year finding initially occurred: 2023

CONDITION: The Town purchased a vehicle that exceeded \$30,000, but did not properly follow LSA-R.S. 38:2212.1A(1)(b).

CRITERIA: LSA-R.S. 38:2212.1 A(1)(b) purchases of thirty thousand dollars or more, but less than sixty thousand dollars, shall be made by obtaining not less than three quotes by telephone, facsimile, email, or any other printable electronic form. If telephone quotes are received, a written confirmation of the accepted offers shall be obtained and made a part of the purchase file. If quotations lower than the accepted quotation are received, the reasons for their rejection shall be recorded in the purchase file.

CAUSE: The Town failed to obtain at least 3 quotes for the purchase of a vehicle.

EFFECT: The Town is in violation of R.S. 38:2212.1

RECOMMENDATION: The Town should comply with Louisiana Public Bid Law

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Town is implementing procedures to ensure compliance with Louisiana Public Bid Law.



TOWN OF GUEYDAN, LOUISIANA

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
Year Ended December 31, 2023

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

2022-001 Inadequate Segregation of Accounting Functions

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

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

CURRENT STATUS: Unresolved. See item 2023-001.

2022-002 Application of Generally Accepted Accounting Principles (GAAP)

CONDITION: The Town of Gueydan does not have adequate internal controls over recording the entity's financial transactions or preparing its financial statements, including the related notes in accordance with generally accepted accounting principles (GAAP).

RECOMMENDATION: Management should evaluate the additional costs required to achieve the desired benefit and determine if it is economically feasible in relation to the benefit received.

CURRENT STATUS: Unresolved. See item 2023-002.

2022-003 Financial Records/Reconciliations

CONDITION: The Town of Gueydan failed to reconcile interfund transactions, subsidiary ledgers and bank statements on a monthly basis. Additionally, on certain occasions, the bank reconciliations were not adequately reconciled.

RECOMMENDATION: We recommend that the Town implement internal controls to ensure that these accounts are reconciled on a periodic basis. Additionally, we recommend that the Town properly train employees assigned to perform bank reconciliations, and review work performed on a monthly basis to determine that reconciliations are being performed correctly and in a timely manner.

CURRENT STATUS: Unresolved. See item 2023-003.

TOWN OF GUEYDAN, LOUISIANA

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan (Continued)  
Year Ended December 31, 2023

2022-004 Inadequate Controls Over Inventory and Assets

CONDITION: The Town does not maintain a list of the inventory and assets of the Town or departments on a perpetual basis.

RECOMMENDATION: The Town should implement control procedures to ensure assets are properly monitored and annual inventory inspections reconcile to the Town's inventory listing.

CURRENT STATUS: Unresolved. See item 2023-004.

B. Compliance

2022-005 Budget noncompliance

CONDITION: Revenues of the General Fund and the Sales Tax Fund failed to meet the total budgeted revenues by more than 5%.

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

CURRENT STATUS: Unresolved. See 2023-005.

**Town of Gueydan**  
Gueydan, Louisiana

Statewide Agreed-Upon Procedures

Fiscal period January 1, 2023 through December 31, 2023

# KOLDER, SLAVEN & COMPANY, LLC

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

Mr. Jude Reese, Mayor  
and Members of the Board of Alderman  
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2023 through December 31, 2023. Town of Gueydan's (the Town) management is responsible for those C/C areas identified in the SAUPs.

The Town has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2023 through December 31, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### ***Written Policies and Procedures***

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

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

### ***Board or Finance Committee***

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- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
  - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
  - d) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

### ***Bank Reconciliations***

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

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

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4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that
  - a) Employees responsible for cash collections do not share cash drawers/registers;
  - b) Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit;
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedures #3 (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
  - a) Observe that receipts are sequentially pre-numbered.
  - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Trace the deposit slip total to the actual deposit per the bank statement.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- e) Trace the actual deposit per the bank statement to the general ledger.

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

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- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
  - 9. For each location selected under procedure #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
    - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
    - b) At least two employees are involved in processing and approving payments to vendors;
    - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
    - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
    - e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
- [Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); should not be reported.]
- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and
    - a) Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity, and
    - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
  - 11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

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

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12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
13. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
  - a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
  - b) Observe that finance charges and late fees were not assessed on the selected statements.
14. Using the monthly statements or combined statements selected under #13 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g. each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

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

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



## ***Contracts***

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

## ***Payroll and Personnel***

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17. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #17 above, obtain attendance records and leave documentation for the pay period, and:
  - a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.);
  - b) Observe whether supervisors approved the attendance and leave of the selected employees/officials;
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
  - d) Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
19. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
20. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

## ***Ethics***

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

## ***Debt Service***

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

## ***Fraud Notice***

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

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

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27. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."
  - a. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
  - b. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
  - c. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.
29. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
  - a. Hired before June 9, 2020 – completed the training; and
  - b. Hired on or after June 9, 2020 – completed the training within 30 days of initial service or employment

### ***Prevention of Sexual Harassment***

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

### ***Findings:***

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No exceptions were found as a result of the procedures list above with the exception of:

#### **Board Minutes**

*The Town did not discuss monthly budget-to-actual comparisons in their meetings until June of 2023.*

*The Town did not receive written updates of the progress of resolving audit findings, according to management's corrective action plan at each meeting until the findings were considered fully resolved.*

#### **Cash Collections**

*Employees responsible for cash collections is responsible for preparing/making bank deposits.*

#### **Non-Payroll Disbursements**

*Employees responsible for processing payments may add/modify vendor files.*

## **Credit Cards/Debit Cards/Fuel Cards/P-Cards**

*One credit card statement included interest fees.*

## **Travel and Expense**

*Two of reimbursements tested did not have supporting documentation showing a business purpose.*

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

*One of the employees tested hired before June 30, 2020 did not have any cyber security training.*

*Three of the employees tested that were hired on or after June 30, 2020, didn't take the cyber security training within 30 days of initial service or employment.*

## **Prevention of Sexual Harassment**

*The Town does not have its sexual harassment policy and compliant procedures on its website.*

## **Management's Response:**

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The Town concurs with the exceptions and are working to address the deficiencies identified.

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

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

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

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

Abbeville, Louisiana  
June 12, 2024