

**VILLAGE OF PROVENCAL  
ANNUAL FINANCIAL REPORT**

**JUNE 30, 2018**

Village of Provenal  
Financial Report  
June 30, 2018

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Village of Provencal  
Financial Report  
June 30, 2018

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# Village of Provencal

## MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended June 30, 2018

This section of the Village of Provencal's (hereafter referred to as the Village) annual financial report presents an overview and analysis of the Village's financial activities for the year ended June 30, 2018. The intent of the MD&A is to look at the Village's financial performance as a whole. It should therefore be read in conjunction with this report. Certain comparative information is presented to provide an overview of the Village's operations.

### Financial Highlights

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. These statements tell how these services were financed in the short-term as well as what remains for future spending.

#### Government-Wide Financial Statements

- The Statement of Net Position presents all of the Village's assets and liabilities, with the difference between the two reported as "net position." Over time, increases or decreases in the Village's net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.
- The Statement of Activities presents information showing how the Village's net position changed during the current year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Therefore, some revenues and some expenses that are reported in this statement will not result in cash flows until future years.

#### Fund Financial Statements

The services provided by the Village are financed through a governmental fund. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Village conducts its day-to-day operations through a governmental fund, the General Fund, and a business-type activity, the Village's utility system.

A summary of the basic government-wide financial statements is as follows:

Summary of Statement of Net Position

	June 2018			June 2017		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>						
Current Assets	\$55,118	\$ 31,340	\$ 86,458	\$49,317	\$ 44,405	\$ 93,722
Restricted Assets	0	43,299	43,299	0	19,493	19,493
Capital Assets, net of accumulated depreciation	<u>1,300</u>	<u>2,067,262</u>	<u>2,068,562</u>	<u>2,168</u>	<u>2,152,278</u>	<u>2,154,446</u>
Total Assets	<u>\$56,418</u>	<u>\$2,141,901</u>	<u>\$2,198,319</u>	<u>\$51,485</u>	<u>\$2,216,176</u>	<u>\$2,267,661</u>
<b>LIABILITIES:</b>						
Overdraft	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,898	\$ 1,898
Accounts/Other Payables	0	27,054	27,054	251	22,503	22,754
Customer Deposits Payable	<u>0</u>	<u>29,677</u>	<u>29,677</u>	<u>0</u>	<u>27,428</u>	<u>27,428</u>
Total Liabilities	<u>\$ 0</u>	<u>\$ 56,731</u>	<u>\$ 56,731</u>	<u>\$ 251</u>	<u>\$ 51,829</u>	<u>\$ 52,080</u>
<b>NET POSITION:</b>						
Net Investment in Capital Assets	\$ 1,300	\$2,067,262	\$2,068,562	\$ 2,168	\$2,152,278	\$2,154,446
Unrestricted	<u>55,118</u>	<u>17,908</u>	<u>73,026</u>	<u>49,066</u>	<u>12,069</u>	<u>61,135</u>
NET POSITION	<u>\$56,418</u>	<u>\$2,085,170</u>	<u>\$2,141,588</u>	<u>\$51,234</u>	<u>\$2,164,347</u>	<u>\$2,215,581</u>

## Summary of Statement of Activities

	June 2018			June 2017		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
<b>REVENUES:</b>						
Licenses & Fees	\$32,981	\$ 0	\$ 32,981	\$26,614	\$ 0	\$ 26,614
Charges for Services	0	226,146	226,146	0	204,133	204,133
Fines	8,058	0	8,058	8,331	0	8,331
Interest	250	70	320	113	74	187
Miscellaneous	100	0	100	1,887	0	1,887
Transfer-In	0	0	0	0	5,000	5,000
Operating Grants	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,624</u>	<u>15,624</u>
Total Revenues	<u>\$41,389</u>	<u>\$226,216</u>	<u>\$267,605</u>	<u>\$36,945</u>	<u>\$ 224,831</u>	<u>\$ 261,776</u>
<b>EXPENSES:</b>						
Public Safety	\$ 5,618	\$ 0	\$ 5,618	\$10,021	\$ 0	\$ 10,021
General Government	30,587	0	30,587	30,749	0	30,749
Public Works	0	305,393	305,393	0	342,099	342,099
Transfer-Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Total Expenses	<u>\$36,205</u>	<u>\$305,393</u>	<u>\$341,598</u>	<u>\$45,770</u>	<u>\$ 342,099</u>	<u>\$ 387,869</u>
Change in Net Position	<u>\$ 5,184</u>	<u>\$ (79,177)</u>	<u>\$ (73,993)</u>	<u>\$ (8,825)</u>	<u>\$ (117,268)</u>	<u>\$ (126,093)</u>

## Governmental Activities

- The Village's assets exceeded its liabilities by \$56,418 (net position) for the year. This is an increase of \$5,184 from the prior year.
- Unrestricted net position of \$55,118 represents the portion available to maintain the Village's obligation to both citizens and creditors. For the prior year, this was \$49,066.

## Business Type Activities

The Proprietary Fund experienced a net decrease of \$79,177 for the year. For the prior year, the decrease was \$117,268.

General Fund Budgetary Highlights

The Village adopted a budget for the General Fund for the 2017/2018 year. Actual expenditures were within the 5% variance allowed; however, actual revenues failed to meet budgeted revenues by \$10,211, more than the 5% variance allowed.

Economic Factors and Next Year's Budget

The Village has prepared its FY 2018/2019 budget for the General Fund on the assumption that revenues and expenditures will remain fairly constant next year. Both revenues and expenditures for the Utility Enterprise Fund should also remain constant during the next year.

Contacting the Village

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to the Village at P. O. Box 400, Provençal, LA 71468.

**T | C | B | T**  
**THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER**  
*Certified Public Accountants*

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

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**INDEPENDENT ACCOUNTANT’S REVIEW REPORT**

To the Mayor and Aldermen of the  
Village of Provencal, Louisiana

We have reviewed the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Provencal (Village) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Village’s basic financial statements as listed in the Table of Contents. A review includes primarily applying analytical procedures to management’s financial data and making inquiries of the Village’s personnel. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

**Management’s Responsibility for the Financial Statements**

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

**Accountant’s Responsibility**

Our responsibility is to conduct the review engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA, and the standards applicable to review engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

**Accountant’s Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

## **Other Matter Paragraphs**

### *Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Budgetary Comparison Schedule, as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer listed as required supplementary information in the Table of Contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The Budgetary Comparison Schedule, Management's Discussion and Analysis, and the Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer is the responsibility of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the information and, accordingly, do not express an opinion on such information.

### *Other Reporting Requirements*

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report dated July 9, 2019, on the results of our agreed-upon procedures on page 33 through 35 and pages 36 through 38 present the Louisiana Attestation Questionnaire, management's letter, and management's response.

*Thomas, Cunningham, Broadway & Todtenbier, CPA's*

Thomas, Cunningham, Broadway & Todtenbier, CPA's

July 9, 2019

Natchitoches, LA 71457

## BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS

Village of Provencal  
Statement of Net Position  
June 30, 2018

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS:</b>			
Current Assets:			
Cash and Cash Equivalents	\$39,527	\$ 19,938	\$ 59,465
Accounts Receivable	0	11,402	11,402
Due from Other Funds	<u>15,591</u>	<u>0</u>	<u>15,591</u>
Total Current Assets	<u>\$55,118</u>	<u>\$ 31,340</u>	<u>\$ 86,458</u>
Noncurrent Assets:			
Restricted Assets:			
Customers' Account Deposits	\$ 0	\$ 43,299	\$ 43,299
Capital Assets (net)	<u>1,300</u>	<u>2,067,262</u>	<u>2,068,562</u>
Total Noncurrent Assets	<u>\$ 1,300</u>	<u>\$2,110,561</u>	<u>\$2,111,861</u>
Total Assets	<u>\$56,418</u>	<u>\$2,141,901</u>	<u>\$2,198,319</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
Accounts/Other Payable	\$ 0	\$ 11,463	\$ 11,463
Due to Other Funds	<u>0</u>	<u>15,591</u>	<u>15,591</u>
Total Current Liabilities	<u>\$ 0</u>	<u>\$ 27,054</u>	<u>\$ 27,054</u>
Noncurrent Liabilities:			
Customers' Deposits Payable	\$ <u>0</u>	\$ <u>29,677</u>	\$ <u>29,677</u>
Total Liabilities	<u>\$ 0</u>	<u>\$ 56,731</u>	<u>\$ 56,731</u>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	\$ 1,300	\$2,067,262	\$2,068,562
Unrestricted	<u>55,118</u>	<u>17,908</u>	<u>73,026</u>
Total Net Position	<u>\$56,418</u>	<u>\$2,085,170</u>	<u>\$2,141,588</u>

See accompanying notes and independent accountant's review report.

Village of Provencal  
Statement of Activities  
For the Year Ended June 30, 2018

Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities:							
General Government	\$ 30,587	\$ 32,981	\$0	\$0	\$ 2,394	\$ 0	\$ 2,394
Public Safety	<u>5,618</u>	<u>8,058</u>	<u>0</u>	<u>0</u>	<u>2,440</u>	<u>0</u>	<u>2,440</u>
Total Governmental Activities	<u>\$ 36,205</u>	<u>\$ 41,039</u>	<u>\$0</u>	<u>\$0</u>	<u>\$ 4,834</u>	<u>\$ 0</u>	<u>\$ 4,834</u>
Business-Type Activities:							
Water/Sewer/Gas	<u>\$305,393</u>	<u>\$226,146</u>	<u>\$0</u>	<u>\$0</u>	<u>\$ 0</u>	<u>\$ (79,247)</u>	<u>\$ (79,247)</u>
Total Government	<u>\$341,598</u>	<u>\$267,185</u>	<u>\$0</u>	<u>\$0</u>	<u>\$ 4,834</u>	<u>\$ (79,247)</u>	<u>\$ (74,413)</u>
General Revenues:							
					\$ 250	\$ 70	\$ 320
					<u>100</u>	<u>0</u>	<u>100</u>
					<u>\$ 350</u>	<u>\$ 70</u>	<u>\$ 420</u>
					\$ 5,184	\$ (79,177)	\$ (73,993)
					<u>51,234</u>	<u>2,164,347</u>	<u>2,215,581</u>
					<u>\$56,418</u>	<u>\$2,085,170</u>	<u>\$2,141,588</u>

See accompanying notes and independent accountant's review report.

## FUND FINANCIAL STATEMENTS

Village of Provencal  
Balance Sheet-Governmental Funds  
June 30, 2018

	<u>Major Fund</u> General Fund	<u>Non-Major Fund</u> LCDBG Fund	Total Governmental Funds
ASSETS:			
Cash and Cash Equivalents	\$39,527	\$0	\$39,527
Due from Other Funds	<u>15,591</u>	<u>0</u>	<u>15,591</u>
Total Assets	<u>\$55,118</u>	<u>\$0</u>	<u>\$55,118</u>
LIABILITIES:			
Accounts Payable	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
FUND BALANCE:			
Restricted for Capital Projects	\$ 0	\$0	\$ 0
Unassigned	<u>55,118</u>	<u>0</u>	<u>55,118</u>
Total Fund Balance	<u>\$55,118</u>	<u>\$0</u>	<u>\$55,118</u>
Total Liabilities and Fund Balance	<u>\$55,118</u>	<u>\$0</u>	<u>\$55,118</u>

See accompanying notes and independent accountant's review report.

Village of Provencal  
Reconciliation of the Governmental Funds  
Balance Sheet to the Statement of Net Position  
June 30, 2018

Total Fund Balance for the Governmental Fund at June 30, 2018	\$ 55,118
Total Net Position reported for Governmental Activities in the Statement of Net Position is different because:	
Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet. Those assets consist of:	
Land, Equipment, Buildings, and Vehicles	127,580
Less: Accumulated Depreciation	<u>(126,280)</u>
Total Net Position of Governmental Activities at June 30, 2018	\$ <u>56,418</u>

See accompanying notes and independent accountant's review report.

Village of Provencal  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2018

	<u>Major Fund</u> General Fund	<u>Non-Major Fund</u> LCDBG Fund	Total Governmental Funds
Revenues:			
Licenses, Fees & Charges for Services	\$32,981	\$ 0	\$32,981
Fines & Forfeits	8,058	0	8,058
Interest	250	0	250
Miscellaneous	<u>100</u>	<u>0</u>	<u>100</u>
Total Revenues	<u>\$41,389</u>	<u>\$ 0</u>	<u>\$41,389</u>
Expenditures:			
Current-			
General Government	\$29,655	\$ 64	\$29,719
Public Safety	<u>5,618</u>	<u>0</u>	<u>5,618</u>
Total Expenditures	<u>\$35,273</u>	<u>\$ 64</u>	<u>\$35,337</u>
Excess (Deficiency) of Revenues over Expenditures	\$ 6,116	\$(64)	\$ 6,052
Fund Balance-Beginning of Year	<u>49,002</u>	<u>64</u>	<u>49,066</u>
Fund Balance-End of Year	<u>\$55,118</u>	<u>\$ 0</u>	<u>\$55,118</u>

See accompanying notes and independent accountant's review report.

Village of Provencal  
Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of the Governmental Funds  
to the Statement of Activities  
For the Year Ended June 30, 2018

Total Net Change in Fund Balance at June 30, 2018, per Statement of Revenues, Expenditures and Changes in Fund Balance	\$6,052
The Change in Net Position reported for Governmental Activities in the Statement of Activities is different because:	
Depreciation expense on capital assets is reported in the Government-wide financial statements, but does not require the use of current financial resources and is not reported in the Fund Financial Statements. Current year depreciation expense is:	<u>(868)</u>
Total changes in Net Position at June 30, 2018, per Statement of Activities	<u>\$5,184</u>

See accompanying notes and independent accountant's review report.

Village of Provencal  
Statement of Net Position  
Proprietary Fund  
June 30, 2018

ASSETS:	
Current Assets-	
Cash and Cash Equivalents	\$ 19,938
Accounts Receivable	<u>11,402</u>
Total Current Assets	<u>\$ 31,340</u>
Noncurrent Assets-	
Restricted Assets-	
Customers' Account Deposits	\$ 43,299
Capital Assets (Net)	<u>2,067,262</u>
Total Noncurrent Assets	<u>\$2,110,561</u>
Total Assets	<u>\$2,141,901</u>
LIABILITIES:	
Current Liabilities-	
Accounts/Other Payables	\$ 11,463
Due to Other Funds	<u>15,591</u>
Total Current Liabilities	<u>\$ 27,054</u>
Noncurrent Liabilities-	
Customers' Deposits Payable	<u>\$ 29,677</u>
Total Liabilities	<u>\$ 56,731</u>
NET POSITION:	
Net Investment in Capital Assets	\$2,067,262
Unrestricted	<u>17,908</u>
Total Net Position	<u>\$2,085,170</u>

See accompanying notes and independent accountant's review report.

Village of Provencal  
Statement of Revenues, Expenses, and Change in Net Position  
Proprietary Fund  
For the Year Ended June 30, 2018

OPERATING REVENUES:	
Utility Sales	\$ <u>226,146</u>
OPERATING EXPENSES:	
Natural Gas Purchased	\$ 38,780
Maintenance	4,975
Salaries/Benefits	46,507
Depreciation	85,016
Utility/Telephone	8,783
Office Expenses	19,926
Insurance	18,171
Chemicals	7,101
Supplies	53,483
Per Diem	1,500
Mayor's Expense	4,800
Contract Labor	<u>16,351</u>
Total Operating Expenses	\$ <u>305,393</u>
Operating Income (Loss)	\$ <u>(79,247)</u>
NON-OPERATING REVENUES (EXPENSES):	
Interest Income	\$ <u>70</u>
Change in Net Position	\$ (79,177)
Net Position-Beginning of Year	<u>2,164,347</u>
Net Position-End of Year	<u>\$2,085,170</u>

See accompanying notes and independent accountant's review report.

Village of Provencal  
Statement of Cash Flows  
Proprietary Fund  
June 30, 2018

	<u>Business Type Activities</u>
Cash Flows from Operating Activities:	
Cash Received from Customers	\$ 225,985
Cash Payments for Customer Deposits	2,249
Cash Payments to Suppliers for Goods and Services	(177,025)
Cash Payments to Employees	<u>(38,800)</u>
Net Cash Provided by Operating Activities	\$ <u>12,409</u>
Cash Flows from Investing Activities:	
Interest Income	\$ <u>70</u>
Net Decrease in Cash and Cash Equivalents	\$ 12,479
Cash and Cash Equivalents at Beginning of Year	<u>50,758</u>
Cash and Cash Equivalents at End of Year	\$ <u>63,237</u>
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:	
Operating Loss	\$ (79,247)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Depreciation Expense	85,016
Changes in Assets and Liabilities:	
(Increase)/Decrease in Accounts Receivable	(161)
Increase/(Decrease) in Accounts Payable	4,552
Increase/(Decrease) in Customer Deposits	<u>2,249</u>
Net Cash Provided by Operating Activities	\$ <u>12,409</u>

See accompanying notes and independent accountant's review report.

## NOTES TO FINANCIAL STATEMENTS

Village of Provencal  
Notes to Financial Statements  
June 30, 2018

Introduction:

The Village of Provencal, Louisiana, is incorporated under the Lawrason Act with a Mayor-Board of Aldermen form of government. The executive branch of government is headed by the Mayor and a Legislative branch consisting of three Aldermen.

This report includes all funds which are controlled or dependent on the Village of Provencal's executive and legislative branches (the Mayor and Aldermen). Control by or dependence on the Village of Provencal was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of government body, and other general oversight responsibility.

The Village's operations include police, streets and drainage, and general and administrative services. In addition, the Village operates a Utility System which provides water, sewer and gas services.

1. Summary of Significant Accounting Policies:

A. REPORTING ENTITY-

The Village is the basic level of government which has financial accountability and control over all activities related to the Village operations and services provided. The Village is not included in any other governmental "reporting entity" as defined by GASB pronouncements, since the Village Mayor and Board of Aldermen are elected by the public and have decision making authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units as defined in Governmental Accounting Standards Board Statement 14, which are included in the Village's reporting entity.

B. BASIS OF PRESENTATION-

The financial statements of the Village of Provencal, Louisiana are prepared in accordance with generally accepted accounting principles (GAAP). The Village of Provencal's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

Government-Wide Financial Statements (GWFS)

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

Village of Provencal  
Notes to Financial Statements  
June 30, 2018

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

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. FUND ACCOUNTING-

The accounts of the Village are organized 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 maintained is consistent with legal and managerial requirements.

The Village maintains three funds. Two are categorized as governmental funds and one is a proprietary fund. 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 entity or meets the following criteria:

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

The Village considers the General Fund and the Utility Fund to be major.

Governmental Fund -

General Fund

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

Village of Provencal  
Notes to Financial Statements  
June 30, 2018

LCDBG Fund

The LCDBG Fund is used to record financial resources received from the state.

Proprietary Fund -

Enterprise Fund

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

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING-

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual Basis - Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the Village as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Modified Accrual Basis - Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Village considers all revenues "available" if collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

Village of Provencal  
Notes to Financial Statements  
June 30, 2018

E. 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 deposit of the Village. For the purpose of the proprietary fund statement of cashflows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit.

F. CAPITAL ASSETS-

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

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

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of useful lives by type of asset is as follows:

Buildings and improvements	40 years
Equipment and vehicles	3-11 years
Utility system and improvements	10-50 years

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

G. RESTRICTED ASSETS-

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

H. COMPENSATED ABSENCES-

There is no formal leave policy for the Village, therefore no entry is made to record compensated absences.

Village of Provencal  
Notes to Financial Statements  
June 30, 2018

I. EQUITY CLASSIFICATIONS-

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

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net resources with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net position - All other net resources that do not meet the definition of "restricted" or "net investment in capital assets".

When an expense is incurred for the purposes for which both restricted and unrestricted net resources are available, management applies unrestricted net resources first, unless a determination is made to use restricted net resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

In the fund statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- d. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance - amounts that are available for any purpose. Only the General Fund would report positive amounts in unassigned fund balance.

Village of Provencal  
Notes to Financial Statements  
June 30, 2018

The General Fund has an unassigned fund balance of \$55,118. If applicable, the Village would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

J. ESTIMATES-

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

K. 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.

L. EXPENDITURES/EXPENSES-

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

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

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

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

M. BUDGET-

Prior to the beginning of each fiscal year, the Village normally adopts a budget for the next fiscal year. The budget is open for public inspection. All budgetary appropriations lapse at the end of the fiscal year. The budget is prepared on the modified accrual basis of accounting.

2. Cash and Cash Equivalents:

The cash and cash equivalents of the Village of Provencal are subject to the following risk:

*Custodial Credit Risk:* Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Village will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the

Village of Provencal  
Notes to Financial Statements  
June 30, 2018

pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Village that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Village's name.

At June 30, 2018, the Village had \$105,155 in deposits (collected bank balances). These deposits were fully secured by federal deposit insurance.

3. Restricted Assets:

Restricted assets at June 30, 2018:

Customers' Account Deposits \$43,299

4. Capital Assets:

Capital asset activity for the year ended June 30, 2018, is as follows:

Governmental Activities	Balance <u>07-01-17</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>06-30-18</u>
Capital Assets Depreciated:				
Building	\$ 41,190	\$ 0	\$0	\$ 41,190
Office Furniture, Fixtures & Equipment	40,378	0	0	40,378
Vehicles	<u>46,012</u>	<u>0</u>	<u>0</u>	<u>46,012</u>
Total Capital Assets	<u>\$127,580</u>	<u>\$ 0</u>	<u>\$0</u>	<u>\$127,580</u>
Less, Accumulated Depreciation:				
Building	\$ 39,723	\$ 168	\$0	\$ 39,891
Office Furniture, Fixtures & Equipment	40,378	0	0	40,378
Vehicles	<u>45,311</u>	<u>700</u>	<u>0</u>	<u>46,011</u>
Total Accumulated Depreciation	<u>\$125,412</u>	<u>\$ 868</u>	<u>\$0</u>	<u>\$126,280</u>
Net Capital Assets	<u>\$ 2,168</u>	<u>\$(868)</u>	<u>\$0</u>	<u>\$ 1,300</u>

Village of Provençal  
Notes to Financial Statements  
June 30, 2018

Business-Type Activities	Balance <u>07-01-17</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>06-30-18</u>
Capital Assets Not Depreciated:				
Land	\$ 38,250	\$ 0	\$0	\$ 38,250
Capital Assets Depreciated:				
General Equipment	12,875	0	0	12,875
Gas System	68,746	0	0	68,746
Water System	879,790	0	0	879,790
Sewer System	1,446,625	0	0	1,446,625
Sewer System 2018	<u>972,976</u>	<u>0</u>	<u>0</u>	<u>972,976</u>
Total Capital Assets	<u>\$3,419,262</u>	<u>\$ 0</u>	<u>\$0</u>	<u>\$3,419,262</u>
Less, Accumulated Depreciation:				
General Equipment	\$ 10,492	\$ 812	\$0	\$ 11,304
Gas System	56,228	1,719	0	57,947
Water System	532,180	21,995	0	554,175
Sewer System	619,436	36,166	0	655,602
Sewer System 2018	<u>48,648</u>	<u>24,324</u>	<u>0</u>	<u>72,972</u>
Total Accumulated Depreciation	<u>\$1,266,984</u>	<u>\$85,016</u>	<u>\$0</u>	<u>\$1,352,000</u>
Net Capital Assets	<u>\$2,152,278</u>	<u>\$85,016</u>	<u>\$0</u>	<u>\$2,067,262</u>

Depreciation expense for the General Fund of \$868 was charged to the General Government function in the amount of \$168 and the Public Safety function in the amount of \$700.

Depreciation expense for the Utility Fund of \$85,016 was charged as follows:

General Equipment	\$ 812
Gas System	1,719
Water System	21,995
Sewer System	<u>60,490</u>
Total	<u>\$85,016</u>

5. Litigation:

At June 30, 2018, the Village was not a party in any outstanding civil suit seeking damages.

Village of Provencal  
Notes to Financial Statements  
June 30, 2018

6. Per Diem Payments:

Village Aldermen received the following payments for meeting attendance:

<u>Name</u>	<u>Amount</u>
Harry Voight	\$ 400
Daniel Gangre	400
Buddy Boswell	<u>400</u>
Total	<u>\$1,200</u>

7. Receivables:

The following is a summary of receivables at June 30, 2018:

<u>Class of Receivable</u>	<u>Proprietary Fund</u>
Water Sales	\$ 4,191
Sewer Sales	2,965
Gas Sales	<u>4,246</u>
Total	<u>\$11,402</u>

8. Subsequent Events:

Management has evaluated events through July 9, 2019, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

OTHER REQUIRED  
SUPPLEMENTARY INFORMATION

Village of Provencal  
General Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2018

	<u>Budget</u> <u>Original/Final</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>REVENUES:</b>			
Licenses, Fees & Charges for Services	\$30,000	\$32,981	\$ 2,981
Fines & Forfeits	16,000	8,058	(7,942)
Interest	4,600	250	(4,350)
Miscellaneous	<u>1,000</u>	<u>100</u>	<u>(900)</u>
Total Revenues	<u>\$51,600</u>	<u>\$41,389</u>	<u>\$(10,211)</u>
<b>EXPENDITURES:</b>			
Current-			
General Government	\$21,200	\$29,655	\$ (8,455)
Public Safety	<u>33,400</u>	<u>5,618</u>	<u>27,782</u>
Total Expenditures	<u>\$54,600</u>	<u>\$35,273</u>	<u>\$ 19,327</u>
Excess (Deficiency) of Revenues over Expenditures	\$ (3,000)	\$ 6,116	\$ 9,116
Fund Balance-Beginning of Year	<u>49,002</u>	<u>49,002</u>	<u>0</u>
Fund Balance-End of Year	<u>\$46,002</u>	<u>\$55,118</u>	<u>\$ 9,116</u>

See independent accountant's review report.

Village of Provencal  
Schedule of Compensation, Benefits and Other Payments to  
Agency Head or Chief Executive Officer  
For the Year Ended June 30, 2018

Agency Head Name: Randy Dupree, Mayor

<u>Purpose</u>	<u>Amount</u>
Salary	\$2,400
Benefits-Insurance	0
Benefits-Retirement	0
Deferred Compensation	0
Benefits-Other	184
Vehicle allowance	4,800
Vehicle provided by government	0
Cell phone	0
Dues	0
Vehicle rental	0
Per Diem	0
Reimbursements	870
Travel	0
Registration fees	900
Conference travel	240
Housing	0
Unvouchered expenses	0
Special meals	0
Other	0

See independent accountant's review report.

## SUPPLEMENTARY INFORMATION

**T | C | B | T**  
**THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER**  
*Certified Public Accountants*

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

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**INDEPENDENT ACCOUNTANT’S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

The Honorable Randy Dupree, Mayor  
and Village Aldermen  
Village of Provencal, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the Village of Provencal and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management’s assertions about the Village of Provencal’s compliance with certain laws and regulations during the year ended June 30, 2018, included in the Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

**PUBLIC BID LAW**

1. Select all expenditures made during the year for materials and supplies exceeding \$30,000, or public works exceeding \$154,200, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

All applicable expenditures were found to be in compliance.

**CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES**

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1224 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list, including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedures (3) were also included on the listing obtained from management in agreed-upon procedures (2) as immediate family members.

None of the employees included on the list of employees provided by management [(agreed-upon procedure (3))] appeared on the list provided by management in agreed-upon procedure (2).

#### BUDGETING

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget, there were no amendments.

6. Trace the budget adoption to the minute book.

We were able to trace the budget adoption to the minute book.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

Actual revenues failed to meet budgeted revenues within the 5% variance allowed; however, actual expenditures were within the 5% allowed.

#### ACCOUNTING AND REPORTING

8. Randomly select 6 disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and payee:
- (b) determine if payments were properly coded to the correct fund and general ledger account:
- (c) determine whether payments received approval from proper authorities:

Of the six disbursements selected, the Village was unable to locate invoices for three disbursements. Of the three invoices the Village was able to locate, the amounts were correct and disbursements were coded to the correct fund and general ledger account; however, there was no indication of approval from any authority.

### MEETINGS

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The Village is only required to post a notice of each meeting and the accompanying agenda on the door of the Village's office building.

### DEBT

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds or any other indebtedness which have not been approved by the State Bond Commission.

We inspected copies of all bank deposits for the period under examination and noted no deposits that appeared to be proceeds of bank loans, bonds, or other indebtedness that had not been approved by the State Bond Commission.

### ADVANCES AND BONUSES

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees that may constitute bonuses, advances, or gifts.

None found.

Our prior report dated January 31, 2018, noted one exception, actual expenditures exceeded budgeted expenditures by more than 5%.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Village of Provencal and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Thomas, Cunningham, Broadway & Todtenbier, CPA's*

Thomas, Cunningham, Broadway & Todtenbier, CPA's

July 9, 2019  
Natchitoches, LA 71457

VILLAGE OF PROVENCAL  
LOUISIANA ATTESTATION QUESTIONNAIRE

Johnson, Thomas & Cunningham, CPA's  
321 Bienville Street  
Natchitoches, LA 71457

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of June 30, 2018, and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

**Public Bid Law**

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes  No

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1107-1124.

Yes  No

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes  No

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes  No

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes  No

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes  No

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes  No

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes  No

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes  No

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes  No

**Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes  No

**Advances and Bonuses**

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes  No

**Prior-Year Comments**

We have resolved all prior-year recommendations and/or comments.

Yes  No

**General**

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes  No

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes  No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes  No

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes  No

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes  No

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes  No

The previous responses have been made to the best of our belief and knowledge.

Signed by and title Mayor R

**T | C | B | T**  
**THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER**  
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July 9, 2019

Village of Provencal  
P. O. Box 400  
Provencal, LA 71468

RE: Management letter  
Review Report – June 30, 2018

We have performed our review of the Village of Provencal and have applied certain agreed-upon procedures. As part of our review, we have the following information to report to you.

1. LA Revised Statutes require that a budget for the General Fund be amended if actual revenues are less than budgeted revenues by 5% or more, and/or actual expenditures exceed budgeted expenditures by 5% or more. For the year ended June 30, 2018, the Village failed to amend the budget when the actual revenues were less than budgeted revenues by more than 5% as allowed. We recommend that the Village institute procedures to ensure the budget for the General Fund is amended whenever actual revenues are less than budgeted revenues by more than 5% and/or actual expenditures are more than budgeted expenditures by more than the 5% allowed.
2. LA Revised Statutes require that financial reports be submitted to the Legislative Auditor within six months after the end of their fiscal year. For the year ended June 30, 2018, the Village did not submit the report on time. We recommend the Village ensure, in the future, the necessary information will be provided, within 45 days after year-end, to the independent CPA for review.
3. LA Revised Statutes require that administrative, legal and financial records be retained for a period not less than three years from the date the record is made. For the year ended June 30, 2018, the Village was unable to locate certain financial records. We recommend the Village ensure, in the future, that all records be retained for not less than three years from the date the record is made.

Sincerely,

*Thomas, Cunningham, Broadway & Todtenbier, CPA's*

Thomas, Cunningham, Broadway & Todtenbier, CPA's

# Village of Provencal

1968 Hwy 117 • P.O. Box 400 • Provencal, Louisiana 71468-0400

(318) 472-1757 • (318) 472-8767 • Fax (318) 472-8670

Daniel "Bo" Gongre - Alderman  
Dan Gongre - Mayor Pro-Tem



Gary Robertson - Police Chief  
Ricky Coe - Alderman

Randy Dupree - Mayor

July 8, 2018

Louisiana Legislative Auditor  
1600 North Third Street  
Baton Rouge, LA 70802

RE: Village of Provencal  
Financial Report – June 30, 2018

The following is our response to the review findings issued to us by the firm Thomas, Cunningham, Broadway & Todtenbier, CPA's for the year ended June 30, 2018:

#### Management's Corrective Action Plan

1. We will ensure that, in the future, the budget will be amended if either actual revenues or actual expenditures do not meet the 5% variance allowed.
2. We will ensure that, in the future, all necessary information will be provided to the independent CPA firm for preparation of the Village's annual report within 45 days after the end of our fiscal year.
3. We will ensure that, in the future, all invoices and supporting documents for disbursements are retained for a minimum of three years.

Please contact us if there are any questions regarding our responses.

Sincerely,

  
Randy Dupree  
Mayor