

**VILLAGE OF LOREAUVILLE, LOUISIANA**

Financial Report

Year Ended June 30, 2021

## TABLE OF CONTENTS

	Page
Independent Auditors' Report	1 - 3
 BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)	
Statement of net position	6
Statement of activities	7
 FUND FINANCIAL STATEMENTS (FFS)	
Fund descriptions - major funds	
Balance sheet - governmental funds	10
Reconciliation of the governmental funds balance sheet to the statement of net position	11
Statement of revenues, expenditures, and changes in fund balances- governmental funds	12
Reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities	13
Statement of net position - proprietary fund	14
Statement of revenues, expenses, and changes in fund net position - proprietary fund	15
Statement of cash flows - proprietary fund	16 - 17
Notes to basic financial statements	18 - 34
 REQUIRED SUPPLEMENTARY INFORMATION	
General Fund - budgetary comparison schedule	36
Sales Tax Special Revenue Fund - budgetary comparison schedule	37
Notes to the Required Supplementary Information	38
 OTHER SUPPLEMENTARY INFORMATION	
General Fund:	
Budgetary comparison schedule - revenues	40
Budgetary comparison schedule - expenditures	41-42
Schedule of insurance in force	43
Schedule of number of water customers	44

INTERNAL CONTROL, COMPLIANCE, AND OTHER MATTERS

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	46-47
Schedule of prior and current year audit findings and management's corrective action plan	48-51

# Champagne & Company, LLC

## Certified Public Accountants

Russell F. Champagne, CPA, CGMA\*  
Penny Angelle Scruggins, CPA, CGMA\*

Shayne M. Breaux, CPA  
Kaylee Champagne Frederick, CPA

113 East Bridge Street  
PO Box 250  
Breaux Bridge, LA 70517  
Phone: (337) 332-4020  
Fax: (337) 332-2867

### INDEPENDENT AUDITORS' REPORT

\*A Professional Accounting Corporation

The Honorable Brad Clifton, Mayor  
and the Members of the Board of Aldermen  
Village of Loreauville, Louisiana

#### **Report on the Financial Statements**

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

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditors' Responsibility***

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

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Village of Loreauville, Louisiana, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and notes on pages 36 through 38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

### ***Other Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Loreauville, Louisiana's basic financial statements. The other supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information (pages 40-44) has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 3, 2021 on our consideration of the Village of Loreauville, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Village of Loreauville, Louisiana's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Loreauville, Louisiana's internal control over financial reporting and compliance.

***Champagne & Company, LLC***  
Certified Public Accountants

Breaux Bridge, Louisiana  
September 3, 2021

## **BASIC FINANCIAL STATEMENTS**

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



VILLAGE OF LOREAUVILLE

Statement of Net Position

June 30, 2021

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and interest-bearing deposits	\$ 922,658	\$ 276,776	\$ 1,199,434
Internal balances	399	(399)	-
Receivables, net	71,677	30,243	101,920
Prepaid items	<u>6,273</u>	<u>2,234</u>	<u>8,507</u>
Total current assets	<u>1,001,007</u>	<u>308,854</u>	<u>1,309,861</u>
<b>Noncurrent assets:</b>			
Restricted cash	304,191	30,547	334,738
Capital assets, net	<u>2,204,935</u>	<u>1,362,010</u>	<u>3,566,945</u>
Total noncurrent assets	<u>2,509,126</u>	<u>1,392,557</u>	<u>3,901,683</u>
Total assets	<u>3,510,133</u>	<u>1,701,411</u>	<u>5,211,544</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
	<u>-</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts, salaries, and other payables	9,707	6,675	16,382
Bonds payable	<u>24,000</u>	<u>-</u>	<u>24,000</u>
Total current liabilities	<u>33,707</u>	<u>6,675</u>	<u>40,382</u>
<b>Noncurrent liabilities:</b>			
Bonds payable	364,900	-	364,900
Customer deposits payable	<u>-</u>	<u>30,547</u>	<u>30,547</u>
Total noncurrent liabilities	<u>364,900</u>	<u>30,547</u>	<u>395,447</u>
Total liabilities	<u>398,607</u>	<u>37,222</u>	<u>435,829</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,995,639	1,362,010	3,357,649
Restricted	124,587	-	124,587
Unrestricted	<u>991,300</u>	<u>302,179</u>	<u>1,293,479</u>
Total net position	<u>\$ 3,111,526</u>	<u>\$ 1,664,189</u>	<u>\$ 4,775,715</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF LOREAUVILLE

Statement of Activities  
For the Year Ended June 30, 2021

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental activities:</b>							
General government	\$ 120,131	\$ 54,948	\$ -	\$ -	\$ (65,183)	\$ -	\$ (65,183)
Public safety	88,608	-	-	-	(88,608)	-	(88,608)
Public works	186,508	-	-	-	(186,508)	-	(186,508)
Interest on long-term debt	17,393	-	-	-	(17,393)	-	(17,393)
Total governmental activities	412,640	54,948	-	-	(357,692)	-	(357,692)
<b>Business-type activities:</b>							
Wastewater	224,230	165,277	-	-	-	(58,953)	(58,953)
Total business-type activities	224,230	165,277	-	-	-	(58,953)	(58,953)
Total	\$ 636,870	\$ 220,225	\$ -	\$ -	(357,692)	(58,953)	(416,645)
<b>General revenues:</b>							
Taxes -							
Property taxes, levied for general purposes					20,029	19,760	39,789
Sales and use taxes, levied for general purposes					237,780	-	237,780
Franchise and other taxes					85,414	-	85,414
Grants and contributions not restricted to specific programs					49,065	-	49,065
Miscellaneous					16,815	2,575	19,390
Transfers					12,552	(12,552)	-
Total general revenues and transfers					421,655	9,783	431,438
Change in net position					63,963	(49,170)	14,793
Net Position - July 1, 2020					3,047,563	1,713,359	4,760,922
Net Position - June 30, 2021					\$3,111,526	\$1,664,189	\$4,775,715

The accompanying notes are an integral part of this statement.

**FUND FINANCIAL STATEMENTS (FFS)**

## **FUND DESCRIPTIONS**

### **MAJOR FUNDS**

#### **General Fund**

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

#### **Special Revenue Fund**

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

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

To account for the receipt and use of proceeds of the Village's 1 1/2% sales and use tax. These taxes may be used as described in Note (7).

#### **Enterprise Fund**

#### **Sewerage and Garbage Fund** -

To account for the provision of sewer, garbage, and recycling and curbside debris removal services to residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

VILLAGE OF LOREAUVILLE

Balance Sheet  
Governmental Funds  
June 30, 2021

	<u>General</u>	<u>Sales Tax Special Revenue</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and interest-bearing deposits	\$ 425,457	\$ 801,392	\$ 1,226,849
Due from other funds	74,531	-	74,531
Receivables:			
Taxes and licenses	-	40,646	40,646
Other	31,031	-	31,031
Prepaid items	5,047	1,226	6,273
Total assets	<u>\$ 536,066</u>	<u>\$ 843,264</u>	<u>\$ 1,379,330</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Due to other funds	\$ -	\$ 74,132	\$ 74,132
Accounts payable	6,386	82	6,468
Total liabilities	<u>6,386</u>	<u>74,214</u>	<u>80,600</u>
Fund balances -			
Nonspendable	5,047	1,226	6,273
Restricted	304,191	-	304,191
Assigned	-	767,824	767,824
Unassigned	220,442	-	220,442
Total fund balances	<u>529,680</u>	<u>769,050</u>	<u>1,298,730</u>
Total liabilities and fund balances	<u>\$ 536,066</u>	<u>\$ 843,264</u>	<u>\$ 1,379,330</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF LOREAUVILLE

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
June 30, 2021

Total fund balances for governmental funds at June 30, 2021 \$ 1,298,730

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:

Land	\$ 23,027		
Construction in progress	83,016		
Buildings and improvements, net of \$140,259 accumulated depreciation	51,746		
Vehicles, net of \$214,811 accumulated depreciation	16,544		
Furniture and equipment, net of \$168,036 accumulated depreciation	174,923		
Water system, net of \$1,729,042 accumulated depreciation	1,208,530		
Infrastructure, net of \$379,043 accumulated depreciation	<u>647,149</u>	\$ 2,204,935	

General long-term debt of governmental activities is not payable from current resources and, therefore, not reported in the funds. This debt is:

Bonds payable and underlying accrued interest	(391,768)		
Compensated absences payable	<u>(371)</u>	<u>(392,139)</u>	<u>1,812,796</u>

Total net position of governmental activities at June 30, 2021 \$ 3,111,526

The accompanying notes are an integral part of this statement.

VILLAGE OF LOREAUVILLE

Statement of Revenues, Expenditures, and Changes in Fund Balances-  
Governmental Funds  
For the Year Ended June 30, 2021

	General	Sales Tax Special Revenue	Total
Revenues:			
Taxes	\$ 105,443	\$ 237,780	\$ 343,223
Licenses and permits	54,948	-	54,948
Grants	20,000	-	20,000
Intergovernmental	29,065	-	29,065
Miscellaneous	<u>15,631</u>	<u>1,184</u>	<u>16,815</u>
Total revenues	<u>225,087</u>	<u>238,964</u>	<u>464,051</u>
Expenditures:			
Current -			
General government	96,398	21,091	117,489
Public safety	78,382	-	78,382
Public works	56,275	-	56,275
Debt service	37,525	-	37,525
Capital outlay	<u>99,498</u>	<u>-</u>	<u>99,498</u>
Total expenditures	<u>368,078</u>	<u>21,091</u>	<u>389,169</u>
Excess (deficiency) of revenues over expenditures	<u>(142,991)</u>	<u>217,873</u>	<u>74,882</u>
Other financing sources (uses):			
Operating transfers in	82,052	-	82,052
Operating transfers out	<u>-</u>	<u>(69,500)</u>	<u>(69,500)</u>
Total other financing sources (uses)	<u>82,052</u>	<u>(69,500)</u>	<u>12,552</u>
Net changes in fund balances	(60,939)	148,373	87,434
Fund balances, beginning	<u>590,619</u>	<u>620,677</u>	<u>1,211,296</u>
Fund balances, ending	<u>\$ 529,680</u>	<u>\$ 769,050</u>	<u>\$ 1,298,730</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF LOREAUVILLE

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended June 30, 2021

Total net changes in fund balances for the year ended June 30, 2021 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 87,434
The change in net position reported for governmental activities in the <i>statement of activities is different because:</i>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 99,498
Depreciation expense for the year ended June 30, 2021	<u>(143,101)</u> (43,603)
Governmental funds report proceeds from a bond issuance as an other financing source and principal debt payments as an expenditure. However, in the statement of activities, those proceeds are recorded as a liability, and principal debt payments are recorded as a reduction in the related liability.	
Debt payments	23,000
Accrued interest	<u>(2,868)</u>
Total changes in net position for the year ended June 30, 2021 per Statement of Activities	<u>\$ 63,963</u>

The accompanying notes are an integral part of this statement.



VILLAGE OF LOREAUVILLE

Statement of Net Position  
 Proprietary Fund  
 June 30, 2021

	<u>Sewerage and Garbage Fund</u>
<b>ASSETS</b>	
Current assets:	
Cash and interest-bearing deposits	\$ 276,776
Receivables:	
Accounts (net)	30,243
Prepaid items	<u>2,234</u>
Total current assets	<u>309,253</u>
Noncurrent assets:	
Restricted cash	30,547
Capital assets, net of accumulated depreciation	<u>1,362,010</u>
Total noncurrent assets	<u>1,392,557</u>
Total assets	<u>1,701,810</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>
<b>LIABILITIES</b>	
Current liabilities:	
Due to other funds	399
Accounts payable and accrued expenses	6,675
Customers' deposits	<u>30,547</u>
Total current liabilities	<u>37,621</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>
<b>NET POSITION</b>	
Investment in capital assets	1,362,010
Restricted	-
Unrestricted	<u>302,179</u>
Total net position	<u>\$ 1,664,189</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF LOREAUVILLE

Statement of Revenues, Expenses, and Changes in Fund Net Position -  
 Proprietary Fund  
 For the Year Ended June 30, 2021

	<u>Sewerage and Garbage Fund</u>
Operating revenues:	
Charges for services:	
Sewerage	\$ 92,158
Garbage	60,663
Fire protection	12,456
Penalties	<u>2,540</u>
Total operating revenues	<u>167,817</u>
Operating expenses:	
Chemicals and chlorine	3,418
Depreciation	78,872
Garbage collection	61,634
Insurance	2,410
Legal and accounting	6,995
Office supplies	3,403
Miscellaneous	1,163
Professional services	14,577
Repairs and maintenance	7,328
Salaries	10,211
Sewer analysis	3,750
Supplies	621
Payroll taxes	801
Telephone and utilities	<u>29,047</u>
Total operating expenses	<u>224,230</u>
Operating loss	<u>(56,413)</u>
Nonoperating revenues (expenses):	
Property taxes	19,760
Miscellaneous	<u>35</u>
Total nonoperating revenues	<u>19,795</u>
Loss before transfers	<u>(36,618)</u>
Operating transfers:	
Transfers out	<u>(12,552)</u>
Total operating transfers out	<u>(12,552)</u>
Change in net position	(49,170)
Net position, beginning	<u>1,713,359</u>
Net position, ending	<u>\$ 1,664,189</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF LOREAUVILLE

Statement of Cash Flows  
 Proprietary Fund  
 For the Year Ended June 30, 2021

	<u>Sewerage and Garbage Fund</u>
Cash flows from operating activities:	
Receipts from customers	\$ 172,795
Payments to suppliers	(134,304)
Payments to employees	<u>(10,211)</u>
Net cash provided by operating activities	<u>28,280</u>
Cash flows from noncapital financing activities:	
Operating transfers out to other funds	(12,153)
Ad valorem tax receipts	19,760
Other receipts	<u>35</u>
Net cash provided by noncapital financing activities	<u>7,642</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	<u>-</u>
Net cash used by capital and related financing activities	<u>-</u>
Cash flows from investing activities	<u>-</u>
Net increase in cash and cash equivalents	35,922
Cash and cash equivalents, beginning of period	<u>271,401</u>
Cash and cash equivalents, end of period	<u>\$ 307,323</u>

(continued)

VILLAGE OF LOREAUVILLE

Statement of Cash Flows  
 Proprietary Fund (Continued)  
 For the Year Ended June 30, 2021

	<u>Sewerage and Garbage Fund</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating loss	\$ (56,413)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	78,872
Changes in current assets and liabilities:	
Decrease in accounts receivable	4,978
Increase in accounts payable and accrued liabilities	843
Total adjustments	<u>84,693</u>
Net cash provided by operating activities	<u>\$ 28,280</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	\$ 240,508
Cash - restricted	<u>30,893</u>
Total cash and cash equivalents	<u>271,401</u>
Cash and cash equivalents, end of period -	
Cash - unrestricted	276,776
Cash - restricted	<u>30,547</u>
Total cash and cash equivalents	<u>307,323</u>
Net increase	<u>\$ 35,922</u>

The accompanying notes are an integral part of this statement.

## VILLAGE OF LOREAUVILLE, LOUISIANA

### Notes to Basic Financial Statements

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

The Village operates under the Lawrason Act. The act provides for the Mayor-Board of Trustees form of government. The Village's operations include police and fire protection, streets and drainage, and general administration services. The Village owns and operates one enterprise activity, a sewerage and garbage fund, which provides sewerage and garbage services.

The accompanying financial statements of the Village of Loreauville (Village) 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 subsections of this note.

##### A. Financial Reporting Entity

In evaluating how to define the Village for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board (GASB) Statement No. 14. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Village is able to exercise oversight responsibilities. The Village has no component units.

The Village of Loreauville's oversight and responsibilities in the management, operation, and financial accountability of the Loreauville Volunteer Fire Department are remote. For this reason, the Department is not considered to be a component unit of the Village and accordingly, is not included in the Village's audited financial statements.

##### B. Basis of Presentation

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

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

## VILLAGE OF LOREAUVILLE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the Village and for each function of the Village'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.

#### Fund Financial Statements

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

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

All funds of the Village are considered to be major funds and are described below:

Governmental Funds -

General Fund -

The General Fund is the general operating fund of the Village. It is used to account for and report all financial resources not accounted for and reported in another fund.

## VILLAGE OF LOREAUVILLE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Special Revenue Fund -

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

#### Sales Tax Fund –

To account for the receipt and use of proceeds of the Village's 1 1/2% sales and use tax. These taxes may be used as described in Note (7).

#### Proprietary Fund -

#### Sewerage and Garbage Fund -

The sewerage and garbage fund is used to account for the provision of sewer, garbage, and recycling and curbside debris removal services to residents of the Village. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are derived from charges for services. All other revenues are reported as nonoperating.

#### 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.

## VILLAGE OF LOREAUVILLE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Basis of Accounting

In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

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

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

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

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

##### Interfund receivables and payables

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



VILLAGE OF LOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Receivables

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

Capital Assets

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

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The Village's threshold for capitalization is \$500.

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

Buildings and improvements	10-40 years
Vehicles	5-15 years
Furniture and equipment	5-25 years
Water and sewer systems	10-50 years
Infrastructure	10-40 years

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

Prior to the adoption of GASB 34, it was the Village's policy not to record infrastructure; however, these assets have been included in the accompanying financial statements valued at historical cost.

Restricted Assets

Restricted assets include cash, interest-bearing deposits, and investments that are legally restricted as to their use. The restricted assets are related to mosquito control tax revenues not yet spent in the governmental activities and utility meter deposits in the business-type activities.

## VILLAGE OF LOREAUVILLE, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Long-term debt

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

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements.

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

#### Compensated Absences

Employees of the Village earn annual and sick leave in varying amounts depending upon length of service. At the end of each year, employees may carry forward annual and sick leave earned but not taken. Unused annual leave is paid to an employee upon retirement at hourly rates being earned by that employee upon separation. Unused sick leave is not paid.

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

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

#### Equity Classifications

In the government-wide statements, net position is 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 and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of 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.

VILLAGE OF LOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

- 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.

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

Fund balances of the governmental funds are classified as follows:

*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 is the highest level of decision-making authority for the Village of Loreauville. 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 Village's policy, only Board members may assign amounts for specific purposes.

*Unassigned* – all other spendable amounts.

VILLAGE OF LOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

As of June 30, 2021, fund balances are composed of the following:

	<u>General</u>	<u>Sales Tax Special Revenue</u>	<u>Total Governmental Funds</u>
Nonspendable:			
Prepaid items	\$ 5,047	\$ 1,226	\$ 6,273
Restricted:			
Mosquito control	124,587	-	124,587
Debt service	179,604	-	179,604
Assigned:			
Sales taxes	-	767,824	767,824
Unassigned	<u>220,442</u>	<u>-</u>	<u>220,442</u>
Total fund balances	<u>\$ 529,680</u>	<u>\$ 769,050</u>	<u>\$ 1,298,730</u>

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

E. Capitalization of Interest Expense

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. There was no interest incurred for the year ended June 30, 2021.

F. Use of Estimates

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

VILLAGE OF LOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(2) Cash and Interest-Bearing Deposits

Under state law, the Village 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 Village may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2021, the Village has cash and interest-bearing deposits (book balances) totaling \$1,534,172.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Village's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or 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 within 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) at June 30, 2021 are secured as follows:

Bank balances

At June 30, 2021 the deposits are secured as follows:	<u>\$ 1,539,455</u>
Federal deposit insurance	508,799
Pledged securities	<u>1,030,656</u>
Total	<u>\$ 1,539,455</u>

Deposits in the amount of \$ 1,030,656 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the Village's name. The Village does not have a policy for custodial credit risk.

VILLAGE OF LOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(3) Receivables

Receivables at June 30, 2021 of \$ 101,920 consist of the following:

	<u>General</u>	<u>Sales Tax</u>	<u>Sewerage and Garbage</u>	<u>Total</u>
Accounts	\$ -	\$ -	\$ 31,243	\$ 31,243
Allowance	-	-	(1,000)	(1,000)
Taxes:				
Sales tax	-	40,646	-	40,646
Franchise tax	10,991	-	-	10,991
Fines, licenses, etc.	19,939	-	-	19,939
Other	101	-	-	101
Totals	<u>\$ 31,031</u>	<u>\$ 40,646</u>	<u>\$ 30,243</u>	<u>\$ 101,920</u>

VILLAGE OF LOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(4) Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	Balance 07/01/20	Additions	Deletions	Balance 06/30/21
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 23,027	\$ -	\$ -	\$ 23,027
Construction in progress	21,906	61,110	-	83,016
Total assets not being depreciated	<u>44,933</u>	<u>61,110</u>	<u>-</u>	<u>106,043</u>
Capital assets being depreciated:				
Buildings and improvements	185,404	6,601	-	192,005
Vehicles	231,355	-	-	231,355
Furniture and equipment	313,531	29,428	-	342,959
Water system	2,937,572	-	-	2,937,572
Infrastructure	1,023,833	2,359	-	1,026,192
Total assets being depreciated	<u>4,691,695</u>	<u>38,388</u>	<u>-</u>	<u>4,730,083</u>
Less accumulated depreciation:				
Buildings and improvements	135,957	4,302	-	140,259
Vehicles	209,134	5,677	-	214,811
Furniture and equipment	149,923	18,113	-	168,036
Water system	1,645,506	83,536	-	1,729,042
Infrastructure	347,570	31,473	-	379,043
Total accumulated depreciation	<u>2,488,090</u>	<u>143,101</u>	<u>-</u>	<u>2,631,191</u>
Governmental activities, net	<u>\$ 2,248,538</u>	<u>\$ (43,603)</u>	<u>\$ -</u>	<u>\$ 2,204,935</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 5,000	\$ -	\$ -	\$ 5,000
Total assets not being depreciated	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>5,000</u>
Capital assets being depreciated:				
Sewer plant	2,627,514	-	-	2,627,514
Machinery and equipment	93,735	-	-	93,735
Total assets being depreciated	<u>2,721,249</u>	<u>-</u>	<u>-</u>	<u>2,721,249</u>
Less accumulated depreciation:				
Sewer plant	1,211,128	70,018	-	1,281,146
Machinery and equipment	74,239	8,854	-	83,093
Total accumulated depreciation	<u>1,285,367</u>	<u>78,872</u>	<u>-</u>	<u>1,364,239</u>
Business-type activities, net	<u>\$ 1,440,882</u>	<u>\$ (78,872)</u>	<u>\$ -</u>	<u>\$ 1,362,010</u>

VILLAGE OF LOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 2,642
Public safety	10,226
Public works	<u>130,233</u>
Total depreciation expense	<u>\$ 143,101</u>

(5) Accounts, Salaries, and Other Payables

The accounts, salaries, and other payables consisted of the following at June 30, 2021:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Accounts	\$ 6,468	\$ 6,551	\$ 13,019
Compensated absences payable	371	124	495
Interest Payable	<u>2,868</u>	<u>-</u>	<u>2,868</u>
Totals	<u>\$ 9,707</u>	<u>\$ 6,675</u>	<u>\$ 16,382</u>

(6) Changes in Long-Term Debt

The following is a summary of long-term debt transactions of the Village of Loreauville, Louisiana for the year ended June 30, 2021. The revenue bonds relate to governmental activities. Payments were made from the general fund. In the past, payments on long-term debt that pertained to the Village's governmental activities were made by the governmental funds, and those that pertained to the business-type activities were made by the enterprise fund.

Long-term debt at July 1, 2020	\$ 411,900
Debt assumed	-
Debt retired	<u>(23,000)</u>
Long-term debt at June 30, 2021	<u>\$ 388,900</u>

Long-term debt at June 30, 2021 is comprised of the following:

\$1,310,000 Taxable Water Revenue Bonds, Series 2012; due in annual installments of \$21,000 to \$35,900; from October 1, 2014 to October 1, 2033; interest rate of 2.95 percent; secured by income and revenues of the Village.	<u>\$ 388,900</u>
--	-------------------



VILLAGE OF LOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

The annual requirements to amortize all debt outstanding at June 30, 2021 are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 24,000	\$ 11,119	\$ 35,119
2023	25,000	10,396	35,396
2024	26,000	9,644	35,644
2025	27,000	8,862	35,862
2026	28,000	8,051	36,051
2027-2031	155,000	27,052	182,052
2032-2034	<u>103,900</u>	<u>4,683</u>	<u>108,583</u>
Totals	<u>\$ 388,900</u>	<u>\$ 79,807</u>	<u>\$ 468,707</u>

(7) Dedication of Sales and Use Tax Revenues

Proceeds of a 1 1/2 percent sales and use tax were dedicated to the following purposes:

- A. 1% is for constructing and maintaining sewerage, drainage, street, and other works of permanent public improvement in the Village, title to which shall be in the public. On November 21, 1987, the voters of the Village approved a rededication of the use of the sales taxes collected which now permits the use of these revenues to pay for any expenditures lawfully incurred.
- B. An additional ½% was passed effective January 1, 1995 to be dedicated and used, in supplement of other sales tax revenues, to operate and maintain the Loreauville Police Department. In November 2002, the voters of the Village approved the rewording of the dedication to include contracting with the Iberia Parish Sheriff's Office in lieu of operating the Loreauville Police Department.

VILLAGE OF LOREAUVILLE, LOUISIANA  
Notes to Basic Financial Statements (Continued)

(8) Interfund Transactions

A. Receivables and Payables

Interfund receivables and payables consisted of the following at June 30, 2021:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Funds:		
Governmental Funds:		
General Fund	\$ 74,531	\$ -
Sales Tax Special Revenue Fund	-	74,132
Enterprise Fund:		
Sewer and Garbage Fund	-	399
Total	<u>\$ 74,531</u>	<u>\$ 74,531</u>

The above balances are the result of amounts loaned between funds related to the bond issuance. These balances are expected to be eliminated through transfers within the next fiscal year.

B. Interfund transfers

Interfund transfers consisted of the following at June 30, 2021:

	<u>Interfund Transfers In</u>	<u>Interfund Transfers Out</u>
Major Funds:		
Governmental Funds:		
General Fund	\$ 82,052	\$ -
Sales Tax Special Revenue Fund	-	69,500
Enterprise Fund:		
Sewerage and Garbage Fund	-	12,552
Total	<u>\$ 82,052</u>	<u>\$ 82,052</u>

Transfers are used to (1) 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 (2) use unrestricted revenues collected in one fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

VILLAGE OF LOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(9) Ad Valorem Taxes

For the year ended June 30, 2021, taxes of 9.92 mills were levied on property with assessed valuations totaling \$4,012,151 and were dedicated as follows:

General alimony	5.00 mills
Sewerage tax	4.92 mills

Total taxes levied were \$39,802 of which all had been collected at June 30, 2021. The taxes are levied and assessed around September or October of each year and tax bills are mailed in November. Billed taxes are due by December 31 and become delinquent if unpaid as of January 1.

(10) Potential Misappropriation of Funds

During the fiscal year ended June 30, 2011, the Village of Loreauville learned of a situation involving excessive amounts of fuel purchases. Information has been submitted to both the District Attorney's office as well as the Sheriff's office. The outcome of this external investigation is still uncertain at this time.

(11) Restricted Assets

Restricted assets were composed of checking and savings accounts at June 30, 2021 and were restricted as follows:

	Governmental Activities	Business-Type Activities	Total
Mosquito control	\$ 124,587	\$ -	\$ 124,587
Debt service	179,604	-	179,604
Customers' deposits	-	30,547	30,547
	<u>\$ 304,191</u>	<u>\$ 30,547</u>	<u>\$ 334,738</u>

(12) Litigation

There is no litigation pending against the Village at June 30, 2021.

VILLAGE OF LOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(13) Compensation of Village Officials

A detail of compensation paid to Village officials for the year ended June 30, 2021 follows:

Brad Clifton, Mayor	\$ 12,000
Aldermen:	
Eric Borne	2,700
Joseph J. DeCourt	2,700
Sandy Sonnier	<u>2,700</u>
 Total	 <u>\$ 20,100</u>

(14) Risk Management

The Village is exposed to risks of loss in the areas of general and auto liability, property hazards, health care, and workers' compensation. Those risks are handled by purchasing commercial insurance. There have been no significant reductions in insurance coverage during the current fiscal year nor have settlements exceeded coverage during the current year or preceding two years.

(15) Lease of Water System

The Village owns a water system which is being leased to Louisiana Water Company (LAWCO). All expenses related to running the system are borne by LAWCO and all revenues derived from providing the service to customers is the property of LAWCO. The Village receives lease revenue annually. The revenue for the current year related to this lease was \$1,985.

(16) Act 706 – Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Entity Head

Under Act 706, Village of Loreauville is required to disclose the compensation, reimbursements, benefits, and other payments made to the Mayor, in which the payments are related to the position. The following is a schedule of payments made to the Mayor for the year ended June 30, 2021.

Agency Head Name: Brad Clifton

Salary	<u>\$ 12,000</u>
 Total compensation to agency head	 <u>\$ 12,000</u>

VILLAGE OF LOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements (Continued)

(17) Risks and Uncertainties

The COVID-19 outbreak in the United States has caused business disruption through mandated closings, reduction of operating hours, or operational restrictions for nonessential businesses, including retail stores, restaurants, personal service businesses and all entertainment venues. While the disruption is expected to be temporary, there is still uncertainty around the duration of and the implications of the closings. The Village of Loreauville expects this matter to negatively impact availability of resources and operating results. The financial impact cannot be reasonably estimated at this time.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

VILLAGE OF LOREAUVILLE  
General Fund

Budgetary Comparison Schedule  
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 106,120	\$ 108,120	\$ 105,443	\$ (2,677)
Licenses and permits	47,235	49,235	54,948	5,713
Grants	-	-	20,000	20,000
Intergovernmental	27,340	30,340	29,065	(1,275)
Miscellaneous	3,825	4,175	15,631	11,456
Total revenues	184,520	191,870	225,087	33,217
<b>Expenditures:</b>				
Current -				
General government	89,294	110,970	96,398	14,572
Public safety - Police	76,850	76,850	78,382	(1,532)
Public works	48,720	48,000	56,275	(8,275)
Debt service	38,327	38,327	37,525	802
Capital outlay	35,500	35,500	99,498	(63,998)
Total expenditures	288,691	309,647	368,078	(58,431)
Deficiency of revenues over expenditures	(104,171)	(117,777)	(142,991)	(25,214)
<b>Other financing sources:</b>				
Transfer from Sales Tax Fund	91,172	69,500	69,500	-
Transfer from Utility Fund	13,000	13,000	12,552	(448)
Total other financing sources	104,172	82,500	82,052	(448)
Net change in fund balances	1	(35,277)	(60,939)	(25,662)
Fund balance, beginning	533,090	590,619	590,619	-
Fund balance, ending	\$ 533,091	\$ 555,342	\$ 529,680	\$ (25,662)

VILLAGE OF LOREAUVILLE  
Sales Tax Special Revenue Fund

Budgetary Comparison Schedule  
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes	\$ 177,000	\$ 200,000	\$ 237,780	\$ 37,780
Miscellaneous - interest and other	900	900	1,184	284
Total revenues	<u>177,900</u>	<u>200,900</u>	<u>238,964</u>	<u>38,064</u>
Expenditures:				
General government				
Conventions	600	600	-	600
Insurance	5,420	5,420	1,259	4,161
Legal and accounting	8,500	8,500	6,995	1,505
Salaries and payroll taxes	8,500	11,012	11,013	(1)
Office expense	960	960	165	795
Collection fees	3,600	3,600	1,659	1,941
Total expenditures	<u>27,580</u>	<u>30,092</u>	<u>21,091</u>	<u>9,001</u>
Excess of revenues over expenditures	<u>150,320</u>	<u>170,808</u>	<u>217,873</u>	<u>47,065</u>
Other financing uses:				
Transfer out to General Fund	(91,172)	(69,500)	(69,500)	-
Transfer out to Sewer Fund	(47,040)	-	-	-
Total other financing uses	<u>(138,212)</u>	<u>(69,500)</u>	<u>(69,500)</u>	<u>-</u>
Net change in fund balances	12,108	101,308	148,373	47,065
Fund balance, beginning	<u>513,595</u>	<u>620,677</u>	<u>620,677</u>	<u>-</u>
Fund balance, ending	<u>\$ 525,703</u>	<u>\$ 721,985</u>	<u>\$ 769,050</u>	<u>\$ 47,065</u>



VILLAGE OF LOREAUVILLE, LOUISIANA

Notes to the Required Supplementary Information  
For the Year Ended June 30, 2021

(1) Budget and Budgetary Accounting

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

- A. The municipal clerk prepares a proposed budget and submits this to the Mayor and Board of Aldermen at least fifteen days prior to the beginning of the fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- B. The budget is adopted through passage of a resolution prior to the commencement of the fiscal year for which the budget is being adopted.
- C. 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.
- D. All budgetary appropriations lapse at the end of each fiscal year.
- E. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- F. For the year ended June 30, 2021, the following fund had actual expenditures over appropriations:

Fund	Final Budget	Actual	Excess
General Fund	\$ 309,647	\$ 368,078	\$ (58,431)

**OTHER SUPPLEMENTARY INFORMATION**

VILLAGE OF LOREAUVILLE  
General Fund

Budgetary Comparison Schedule - Revenues  
For the Year Ended June 30, 2021

	Budget	Actual	Variance with Final Budget Positive (Negative)
Taxes:			
General alimony	\$ 20,000	\$ 20,029	\$ 29
Waterline assessment	46,800	49,781	2,981
Franchise taxes	41,320	35,633	(5,687)
Total taxes	108,120	105,443	(2,677)
 Licenses and permits	 49,235	 54,948	 5,713
 Grants	 -	 20,000	 20,000
Intergovernmental:			
Beer tax	3,640	2,047	(1,593)
2% fire insurance tax	3,700	3,936	236
Mosquito control tax	23,000	23,082	82
Total intergovernmental	30,340	29,065	(1,275)
Miscellaneous:			
Interest	400	464	64
Water lease	2,025	1,985	(40)
Other	1,750	13,182	11,432
Total miscellaneous	4,175	15,631	11,456
 Total revenues	 \$ 191,870	 \$ 225,087	 \$ 33,217

VILLAGE OF LOREAUVILLE  
General Fund

Budgetary Comparison Schedule - Expenditures  
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Current:			
General government -			
Advertising	\$ 633	\$ 523	\$ 110
Conventions	2,000	750	1,250
Coroner	500	100	400
Dues	516	950	(434)
Insurance	14,781	14,493	288
Legal and accounting	10,000	7,137	2,863
Mayor and council	20,100	20,100	-
Miscellaneous	7,544	7,544	-
Payroll taxes	6,000	3,308	2,692
Repairs and maintenance	2,300	2,322	(22)
Salaries	15,996	11,413	4,583
Utilities	18,000	14,589	3,411
Professional fees	4,800	5,454	(654)
Auto and truck	700	91	609
Office expense	<u>7,100</u>	<u>7,624</u>	<u>(524)</u>
Total general government	<u>110,970</u>	<u>96,398</u>	<u>14,572</u>
Public safety -			
Law enforcement	60,000	60,000	-
Auto and truck	2,000	1,368	632
Insurance	10,200	9,937	263
Repairs and maintenance	2,000	4,185	(2,185)
Office Expenses	250	188	62
Utilities	<u>2,400</u>	<u>2,704</u>	<u>(304)</u>
Total public safety	<u>76,850</u>	<u>78,382</u>	<u>(1,532)</u>

(continued)

VILLAGE OF LOREAUVILLE  
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)  
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Public works -			
Auto and truck	2,000	1,988	12
Repairs and maintenance	3,000	6,179	(3,179)
Salaries	25,000	29,163	(4,163)
Supplies	5,000	6,219	(1,219)
Utilities	<u>13,000</u>	<u>12,726</u>	<u>274</u>
Total public works	<u>48,000</u>	<u>56,275</u>	<u>(8,275)</u>
Debt service -			
Principal	23,000	23,000	-
Interest	12,490	11,812	678
Other	<u>2,837</u>	<u>2,713</u>	<u>124</u>
Total debt service	<u>38,327</u>	<u>37,525</u>	<u>802</u>
Capital outlay -			
Sidewalks	-	2,359	(2,359)
Fire Station	-	61,110	(61,110)
Equipment	<u>35,500</u>	<u>36,029</u>	<u>(529)</u>
Total capital outlay	<u>35,500</u>	<u>99,498</u>	<u>(63,998)</u>
Total expenditures	<u>\$ 309,647</u>	<u>\$ 368,078</u>	<u>\$ (58,431)</u>

VILLAGE OF LOREAUVILLE, LOUISIANA

Schedule of Insurance in Force  
June 30, 2021

<u>Description of Coverage</u>	<u>Name of Insurer</u>	<u>Coverage Amounts</u>	<u>Expiration Date</u>
Workmen's compensation -			
Bodily injury by accident	LMRMA	\$ 100,000	6/1/2022
Bodily injury by disease	LMRMA	500,000	6/1/2022
Bodily injury by disease	LMRMA	100,000	6/1/2022
Surety bonds -			
Public employees - Town clerk	Western Surety	5,000	2/10/2022
Public employees - Assistant	Western Surety	5,000	3/12/2022
Public employees - Mayor	Western Surety	10,000	1/1/2022
Equipment Floater	Arch Ins. Co.	37,175	5/30/2022
General Liability	Arch Ins. Co.	500,000	6/1/2022
Commercial auto	LMRMA	500,000	6/1/2022
Package	Continental Casualty	2,395,972	9/19/2021
Errors and omissions	Arch Ins. Co.	500,000	6/1/2022
Property and contents	Great Lakes Ins.	387,280	9/19/2021

VILLAGE OF LOREAUVILLE, LOUISIANA

Schedule of Number of Water Customers  
June 30, 2021

Records maintained by the Village indicated the following number of customers were being serviced during the month of June 30, 2021:

<u>Customer Type</u>	<u>Number</u>
Metered	390
Unmetered	-

**INTERNAL CONTROL,  
COMPLIANCE  
AND  
OTHER MATTERS**



# Champagne & Company, LLC

Certified Public Accountants

Russell F. Champagne, CPA, CGMA\*  
Penny Angelle Scruggins, CPA, CGMA\*

Shayne M. Breaux, CPA  
Kaylee Champagne Frederick, CPA

113 East Bridge Street  
PO Box 250  
Breaux Bridge, LA 70517  
Phone: (337) 332-4020  
Fax: (337) 332-2867

\*A Professional Accounting Corporation

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

The Honorable Brad Clifton, Mayor  
and Members of the Board of Aldermen  
Village of Loreauville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Loreauville, Louisiana, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Village of Loreauville, Louisiana's basic financial statements, and have issued our report thereon dated September 3, 2021.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village of Loreauville, 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 Village of Loreauville, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Loreauville, Louisiana's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of prior and current year audit findings and management's corrective action plan as items 2021-001 and 2021-002 that we consider to be material weaknesses.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village of Loreauville, Louisiana'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 one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of prior and current year audit findings and management's corrective action plan as item 2021-003.

### **Village of Loreauville, Louisiana's Response to Findings**

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

### **Purpose of this Report**

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

***Champagne & Company, LLC***  
Certified Public Accountants

Breaux Bridge, Louisiana  
September 3, 2021

VILLAGE OF LOREAUVILLE

Schedule of Prior and Current Year Audit Findings and  
Management's Corrective Action Plan  
For the Year Ended June 30, 2021

I. Prior Year Findings:

Internal Control Over Financial Reporting

2020-001 – Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of employees the Village did not have adequate segregation of functions within the accounting system.

Status:

Unresolved. See item 2021-001.

2020-002 – Inadequate Controls Over Financial Statement Preparation

Finding:

The Village does not have a staff person who has the qualifications and training to apply *generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.*

Status:

Unresolved. See item 2021-002.

Compliance

2020-003 – Noncompliance with Louisiana Local Government Budget Act

Finding:

Louisiana Revised Statute (LSA-R.S.) 39:1301-1314, known as the Local Government Budget Act, requires that the budget be amended when actual revenues and other sources plus projected revenues and other sources are failing to meet the budgeted revenues and other sources by five percent or more. The Village revenues and other sources of the General Fund failed to meet the budgeted revenue by approximately 7.63%.

Status:

Unresolved. See item 2021-003.

(continued)

VILLAGE OF LOREAUVILLE

Schedule of Prior and Current Year Audit Findings and  
Management's Corrective Action Plan (continued)  
For the Year Ended June 30, 2021

Management Letter Items

There were no items reported at June 30, 2020.

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

Internal Control Over Financial Reporting

2021-001 – Inadequate Segregation of Accounting Functions; Year Initially Occurred---Unknown

Condition and Criteria:

The Village did not have adequate segregation of functions within the accounting system.

Effect:

This condition represents a material weakness in the internal control of the Village.

Cause:

The condition resulted because of the small number of employees in the accounting department.

Recommendation:

No plan is considered necessary due to the fact that it would not be cost effective to implement a plan.

Management's Corrective Action Plan:

Mr. Brad Clifton, Mayor, determined that it is not cost effective to achieve complete segregation of duties within the accounting department. No plan is considered necessary.

(continued)

VILLAGE OF LOREAUVILLE

Schedule of Prior and Current Year Audit Findings and  
Management's Corrective Action Plan (continued)  
For the Year Ended June 30, 2021

2021-002 – Inadequate Controls Over Financial Statement Preparation; Year Initially Occurred--  
Unknown

Condition and Criteria:

The Village does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements.

Effect:

This condition represents a material weakness in the internal control of the Village.

Cause:

The condition resulted because Village personnel do not have the qualifications and training to apply GAAP in recording the entity's financial transactions or preparing the financial statements.

Recommendation:

The Village should consider outsourcing 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.

Management's Corrective Action Plan:

Mr. Brad Clifton, Mayor, 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 interest of the government 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.

(continued)

VILLAGE OF LOREAUVILLE

Schedule of Prior and Current Year Audit Findings and  
Management's Corrective Action Plan (continued)  
For the Year Ended June 30, 2021

Compliance

2021-003 –Noncompliance with Louisiana Local Government Budget Act; Year Initially Occurred—  
06/30/2020

Condition and Criteria:

Louisiana Revised Statute (LSA-R.S.) 39:1301-1314, known as the Local Government Budget Act, requires that the budget be amended when actual expenditures and other uses plus projected expenditures and other uses exceed budgeted expenditures and other uses by five percent or more. The Village expenditures and other uses of the General Fund exceeded budgeted expenditures by approximately 18.87%.

Effect:

This condition represents a violation of the Louisiana Local Government Budget Act.

Cause:

The condition resulted because the Village did not amend budgeted expenditures when a land purchase was made.

Recommendation:

The Village should evaluate the need for budget amendments as the year progresses and amend the budget, if necessary.

Management's Corrective Action Plan:

The Clerk will evaluate and keep track of budgeted expenditures compared to actual expenditures and amend the budget throughout the year as needed.

Management Letter Items

There are no items reported at June 30, 2021.