

VILLAGE OF MERMENTAU, LOUISIANA
FINANCIAL REPORT
JUNE 30, 2019

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Honorable Darla Istre, Mayor,
and the Board of Aldermen
Village of Mermentau, 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 Mermentau, Louisiana as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Village of Mermentau, Louisiana'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 management of the Village of Mermentau. 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 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 the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, except for the issue noted in the Known Departure from Accounting Principles Generally Accepted in the United States of America paragraph, we are not aware of any material modifications that should be made to accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Known Departure from Accounting Principles Generally Accepted in the United States of America

As disclosed in Note 13 to the financial statements, accounting principles generally accepted in the United States of America require that all receivables and liabilities are recorded on the government wide financial statements and certain specific receivables and liabilities on the fund financial statements. Management has informed us certain payroll liabilities were not correctly withheld and have not been properly accrued. Management has not determined the effects of these departures from accounting principles generally accepted in the United States of America on the financial statements of governmental activities, the business-type activities, each major fund and the aggregate remaining fund information.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information for the general fund and the sales tax fund on pages 34 through 37 be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. We have not audited, reviewed, or compiled the required supplementary information and we do not express an opinion, a conclusion, nor provide any assurance on it.

Management has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States of America 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 conclusion on the basic financial statements is not affected by this missing information.

Other information

The schedule of compensation, benefits and other payments to agency head is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.

In accordance with *Louisiana Governmental Audit Guide* and the provisions of State Law, we have issued a report, dated December 13, 2019 on the results of our agreed-upon procedures.

Broussard Poche, LLP

Lafayette, Louisiana
December 13, 2019

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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VILLAGE OF MERMENEAU, LOUISIANA

STATEMENT OF NET POSITION

June 30, 2019

See Independent Accountants' Review Report

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 514,185	\$ 151,738	\$ 665,923
Certificates of deposit	61,223	68,530	129,753
Accounts receivable, net	-	7,638	7,638
Unbilled services receivable	-	6,211	6,211
Franchise fee receivable	1,280	-	1,280
Due from other governmental agencies	15,094	-	15,094
Internal balances	5,441	(5,441)	-
Restricted assets:			
Certificates of deposit	-	18,225	18,225
Capital assets:			
Non-depreciable	19,987	22,082	42,069
Depreciable, net	<u>921,898</u>	<u>2,123,887</u>	<u>3,045,785</u>
Total assets	<u>\$ 1,539,108</u>	<u>\$ 2,392,870</u>	<u>\$ 3,931,978</u>
LIABILITIES			
Accounts payable	\$ 4,409	\$ 5,004	\$ 9,413
Other liabilities	473	9,012	9,485
Customers' deposits	-	18,225	18,225
Long-term liabilities:			
Portion due or payable within one year	-	28,000	28,000
Portion due or payable after one year	<u>-</u>	<u>553,327</u>	<u>553,327</u>
Total liabilities	<u>\$ 4,882</u>	<u>\$ 613,568</u>	<u>\$ 618,450</u>
NET POSITION			
Net investment in capital assets	\$ 941,885	\$ 1,564,641	\$ 2,506,526
Restricted for sales tax deductions	230,419	54,154	284,573
Unrestricted	<u>361,922</u>	<u>160,507</u>	<u>522,429</u>
Total net position	<u>\$ 1,534,226</u>	<u>\$ 1,779,302</u>	<u>\$ 3,313,528</u>

See Notes to Financial Statements.

VILLAGE OF MERMENAU, LOUISIANA

STATEMENT OF ACTIVITIES

Year Ended June 30, 2019

See Independent Accountants' Review Report

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Fees, Fines, and Charges for Services</u>	<u>Capital Grants and Contributions</u>
Governmental activities:			
General government	\$ 58,004	\$ 710	\$ -
Public safety	19,697	15,901	-
Public works	154,320	1,237	-
Culture and recreation	<u>1,208</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>\$ 233,229</u>	<u>\$ 17,848</u>	<u>\$ -</u>
Business-type activities:			
Water and sewer	\$ 252,686	\$ 109,853	\$ 11,000
Interest expense	<u>19,978</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>\$ 272,664</u>	<u>\$ 109,853</u>	<u>\$ 11,000</u>
Total	<u>\$ 505,893</u>	<u>\$ 127,701</u>	<u>\$ 11,000</u>

General revenues:

Taxes –

 Property

 Sales

 Franchise

 Other

Licenses and permits

Contributions not restricted to specific program

Investment income

Miscellaneous

Gain on sale of assets

Retirement reimbursements

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning

Net position, ending

See Notes to Financial Statements.

Net (Expense) Revenues and
Change in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (57,294)	\$ -	\$ (57,294)
(3,796)	-	(3,796)
(153,083)	-	(153,083)
<u>(1,208)</u>	<u>-</u>	<u>(1,208)</u>
<u>\$ (215,381)</u>	<u>\$ -</u>	<u>\$ (215,381)</u>
\$ -	\$ (131,833)	\$ (131,833)
<u>-</u>	<u>(19,978)</u>	<u>(19,978)</u>
\$ -	\$ (151,811)	\$ (151,811)
<u>\$ (215,381)</u>	<u>\$ (151,811)</u>	<u>\$ (367,192)</u>
\$ 31,972	\$ 34,500	\$ 66,472
72,993	-	72,993
32,969	-	32,969
7,135	-	7,135
61,442	-	61,442
1,615	-	1,615
163	174	337
18,985	8,879	27,864
500	-	500
-	40,481	40,481
<u>(13,888)</u>	<u>13,888</u>	<u>-</u>
<u>\$ 213,886</u>	<u>\$ 97,922</u>	<u>\$ 311,808</u>
\$ (1,495)	\$ (53,889)	\$ (55,384)
<u>1,535,721</u>	<u>1,833,191</u>	<u>3,368,912</u>
<u>\$ 1,534,226</u>	<u>\$ 1,779,302</u>	<u>\$ 3,313,528</u>

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FUND FINANCIAL STATEMENTS

VILLAGE OF MERMENTAU, LOUISIANA

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2019

See Independent Accountants' Review Report

ASSETS	General Fund	Sales Tax Fund	Total Governmental Funds
Cash	\$ 298,523	\$ 215,662	\$ 514,185
Certificates of deposit	61,223	-	61,223
Franchise fees receivable	1,280	-	1,280
Due from other governmental agencies	115	5,854	5,969
Other receivables	<u>5,441</u>	<u>-</u>	<u>5,441</u>
Total assets	<u>\$ 366,582</u>	<u>\$ 221,516</u>	<u>\$ 588,098</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 4,187	\$ 91	\$ 4,278
Other liabilities	<u>473</u>	<u>-</u>	<u>473</u>
Total liabilities	<u>\$ 4,660</u>	<u>\$ 91</u>	<u>\$ 4,751</u>
FUND BALANCES			
Restricted for:			
Tax dedications	\$ -	\$ 221,425	\$ 221,425
Unassigned	<u>361,922</u>	<u>-</u>	<u>361,922</u>
Total fund balances	<u>\$ 361,922</u>	<u>\$ 221,425</u>	<u>\$ 583,347</u>
Total liabilities and fund balances	<u>\$ 366,582</u>	<u>\$ 221,516</u>	<u>\$ 588,098</u>

See Notes to Financial Statements.

VILLAGE OF MERMENTAU, LOUISIANA

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

June 30, 2019

See Independent Accountants' Review Report

Total fund balances – governmental funds	\$ 583,347
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 are therefore not reported in the funds.	
Capital assets, net	941,885
Some revenues were not considered measureable at year end and therefore not available soon enough to pay for current period expenditures.	
Sales taxes	<u>8,994</u>
Total net position of governmental activities	<u>\$ 1,534,226</u>

See Notes to Financial Statements.

VILLAGE OF MERMENTAU, LOUISIANA
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 Year Ended June 30, 2019
 See Independent Accountants' Review Report

	General Fund	Sales Tax Fund	Total Governmental Funds
Revenues:			
Taxes	\$ 72,076	\$ 68,036	\$ 140,112
Licenses and permits	62,152	-	62,152
Intergovernmental	2,852	-	2,852
Fines and forfeits	15,901	-	15,901
Investment income	163	-	163
Miscellaneous	<u>18,985</u>	<u>-</u>	<u>18,985</u>
Total revenues	<u>\$ 172,129</u>	<u>\$ 68,036</u>	<u>\$ 240,165</u>
Expenditures:			
Current –			
General government	\$ 54,148	\$ 1,683	\$ 55,831
Public safety	18,272	-	18,272
Public works	96,245	-	96,245
Culture and recreation	847	-	847
Capital outlay	<u>30,360</u>	<u>-</u>	<u>30,360</u>
Total expenditures	<u>\$ 199,872</u>	<u>\$ 1,683</u>	<u>\$ 201,555</u>
Excess (deficiency) of revenues over expenditures	\$ (27,743)	\$ 66,353	\$ 38,610
Other financing sources (uses):			
Proceeds from sale of assets	\$ 500	\$ -	\$ 500
Transfers in/out	<u>18,541</u>	<u>(32,429)</u>	<u>(13,888)</u>
Total other financing sources (uses)	<u>\$ 19,041</u>	<u>\$ (32,429)</u>	<u>\$ (13,388)</u>
Net change in fund balance	\$ (8,702)	\$ 33,924	\$ 25,222
Fund balance, beginning	<u>370,624</u>	<u>187,501</u>	<u>558,125</u>
Fund balance, ending	<u>\$ 361,922</u>	<u>\$ 221,425</u>	<u>\$ 583,347</u>

See Notes to Financial Statements.

VILLAGE OF MERMENTAU, LOUISIANA

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

Year Ended June 30, 2019

See Independent Accountants' Review Report

Net change in fund balances – total governmental funds \$ 25,222

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

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	\$ 30,360	
Depreciation expense	<u>(61,904)</u>	(31,544)

Because some revenues are not measurable at year-end, they are not considered available revenues in the governmental funds.

Sales taxes		<u>4,827</u>
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Change in net position of governmental activities		<u>\$ (1,495)</u>
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See Notes to Financial Statements.

VILLAGE OF MERMENTAU, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUND
BUSINESS-TYPE ACTIVITIES – ENTERPRISE FUND
 June 30, 2019
 See Independent Accountants' Review Report

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 151,738
Certificates of deposit	68,530
Accounts receivable, net	7,638
Unbilled services receivable	<u>6,211</u>

Total current assets	<u>\$ 234,117</u>
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RESTRICTED ASSETS

Certificates of deposit	<u>\$ 18,225</u>
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CAPITAL ASSETS

Non-depreciable	\$ 22,082
Depreciable, net	<u>2,123,887</u>

Total capital assets	<u>\$ 2,145,969</u>
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Total assets	<u>\$ 2,398,311</u>
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See Notes to Financial Statements.

LIABILITIES AND NET POSITION

CURRENT LIABILITIES (payable from current assets)

Loans payable, current portion	\$ 28,000
Accounts payable	5,004
Accrued liabilities	9,012
Due to other funds	<u>5,441</u>
	\$ 47,457

CURRENT LIABILITIES (payable from restricted assets)

Customers' deposits	<u>18,225</u>
Total current liabilities	\$ 65,682

LONG TERM DEBT

Loan payable, less current portion	<u>553,327</u>
Total long term liabilities	\$ <u>619,009</u>

NET POSITION

Net investment in capital assets	\$ 1,564,641
Restricted for debt service	54,154
Unrestricted	<u>160,507</u>
Total net position	<u>\$ 1,779,302</u>
Total liabilities and net position	<u>\$ 2,398,311</u>

VILLAGE OF MERMENEAU, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUND
BUSINESS-TYPE ACTIVITIES – ENTERPRISE FUND
Year Ended June 30, 2019
See Independent Accountants' Review Report

Operating revenues:	
Charges for services	\$ 109,853
Property taxes	34,500
Other	<u>8,879</u>
Total operating revenues	<u>\$ 153,232</u>
Operating expenses:	
Salaries and wages	\$ 43,563
Materials and supplies	10,365
Depreciation	76,644
Utilities	17,678
Repairs and maintenance	31,956
Office expenses	2,379
Professional services	63,658
Insurance	1,833
Other	<u>4,610</u>
Total operating expenses	<u>\$ 252,686</u>
Operating loss	<u>\$ (99,454)</u>
Non-operating revenues (expenses):	
Grant income	11,000
Retirement reimbursement	40,481
Interest expense	(19,978)
Investment income	<u>174</u>
Total non-operating revenue	<u>\$ 31,677</u>
Loss before transfers	\$ (67,777)
Transfers in	<u>13,888</u>
Change in net position	\$ (53,889)
Net position, beginning	<u>1,833,191</u>
Net position, ending	<u>\$ 1,779,302</u>

See Notes to Financial Statements.

VILLAGE OF MERMENTAU, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
BUSINESS-TYPE ACTIVITIES – ENTERPRISE FUND
Year Ended June 30, 2019
See Independent Accountants' Review Report

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 117,926
Payments to suppliers for goods and services	(146,819)
Payments to employees and for employee related costs	(70,026)
Other receipts	<u>78,235</u>
Net cash used in operating activities	<u>\$ (20,684)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Transfers from other funds	\$ 13,888
Decrease in customers' deposits, net	<u>1,600</u>
Net cash provided by noncapital financing activities	<u>\$ 15,488</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Grant revenue	\$ 11,000
Payments on loan payable	(27,000)
Purchase of fixed assets	(1,435)
Construction in progress expensed	48,808
Interest and loan administrative fees	<u>(19,978)</u>
Net cash provided by capital and related financing activities	<u>\$ 11,395</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Maturities of investments	\$ 86,681
Purchase of investments	(86,755)
Investment income	<u>174</u>
Net cash provided by investing activities	<u>\$ 100</u>

Net increase in cash and cash equivalents	\$ 6,299
Cash and cash equivalents, beginning	<u>145,439</u>
Cash and cash equivalents, ending	<u>\$ 151,738</u>

(continued)

VILLAGE OF MERMENTAU, LOUISIANA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUND
BUSINESS-TYPE ACTIVITIES – ENTERPRISE FUND
Year Ended June 30, 2019
See Independent Accountants' Review Report

RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES	
Operating loss	\$ (99,454)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	76,643
Changes in assets and liabilities –	
Decrease in receivables and unbilled revenues	2,449
Decrease in accounts payable	(14,124)
Decrease in other liabilities	(1,719)
Decrease in pension obligation	(15,683)
Change in deferred outflows of resources	5,557
Change in deferred inflows of resources	(14,834)
Retirement reimbursement	<u>40,481</u>
Net cash used in operating activities	<u>\$ (20,684)</u>

See Notes to Financial Statements.

VILLAGE OF MERMENEAU, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
See Independent Accountants' Review Report

Note 1. Summary of Significant Accounting Policies

The financial statements of the Village of Mermentau, Louisiana (the "Village") have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") applicable to state and local governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting and financial reporting policies and procedures used by the Village are described below.

Reporting entity:

A financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Primary government -

The Village was incorporated in 1899, under the Lawrason Act. The Village operates under a Mayor-Board of Aldermen form of government and provides the following services to its residents as authorized by its charter: public safety (police), highways and streets, recreation, public improvements and general administrative services. The Village also operates one enterprise activity, which provides water and sewer services.

Component units -

Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity," establishes criteria for determining which entities should be considered a component unit and, as such, part of the reporting entity for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the primary government's governing authority (Board of Aldermen or Mayor) appoints a majority of board members of the potential component unit.
3. Fiscal interdependency between the primary government and the potential component unit.
4. Imposition of will by the primary government on the potential component unit.
5. Financial benefit/burden relationship between the primary government and the potential component unit.

Based on the above criteria, there are no organizations or agencies which should be included in these basic financial statements as component units.

NOTES TO FINANCIAL STATEMENTS
See Independent Accountants' Review Report

Basis of presentation:

The Village's basic financial statements consist of the government-wide statements on all of the activities of the government and the fund financial statements (individual major fund and combined nonmajor funds). The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

Government-wide financial statements -

The government-wide financial statements include the statement of net position and the statement of activities for all non-fiduciary activities of the government. As a general rule, the effect of interfund activity has been removed from these statements. These statements distinguish between the governmental and business-type activities of the Village. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

In the government-wide statement of net position, both the governmental and business-type activities columns (1) are presented on a consolidated basis by column, and (2) are reported on the full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Village's net position is reported in three parts: (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position. The Village first utilizes restricted resources to finance qualifying activities.

The government-wide statement of activities reports both the gross and net cost of each of the Village's functions and business-type activities. The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, etc.). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating specific and discretionary (either operating or capital). The net cost (by function or business-type activity) is normally covered by general revenue (property, sales and use taxes, intergovernmental revenues, investment income, etc.).

The Village does not allocate indirect costs.

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

Fund financial statements -

The fund financial statements provide information about the Village's funds. Separate statements for each fund category, governmental and proprietary, are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each displayed in a separate column.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal value. Nonoperating revenues, such as investment income, result from nonexchange transactions or ancillary activities.

NOTES TO FINANCIAL STATEMENTS
See Independent Accountants' Review Report

The Village reports the following major governmental funds:

General Fund – used to account for all financial resources traditionally associated with governments that are not required to be accounted for in another fund.

Sales Tax Fund – used to account for the collection and disbursement of the Village's 1% sales and use tax levies. These taxes are dedicated as described in Note 3.

The Village reports the following major proprietary fund:

Utility Fund – used to account for the provision of water and sewer services to the residents of the Village.

The emphasis in the fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and proprietary funds combined) for the determination of major funds.

Basis of accounting:

Government-wide and proprietary fund financial statements –

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, property taxes are recognized in the year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental fund financial statements –

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when susceptible to accrual (i.e., when they become 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 be used to pay liabilities of the current period. Sales taxes are considered "measurable" when in the hands of the Sales Tax Collector and are recognized as revenue at that time. Ad valorem taxes are recognized as revenue in the year for which budgeted, that is, in the year in which such taxes are billed and collected. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. All other receivables collected within 60 days after year end are considered available and recognized as revenue of the current year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments and compensated absences, which are recognized to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources. Purchases of various operating supplies are regarded as expenditures at the time purchased.

NOTES TO FINANCIAL STATEMENTS
See Independent Accountants' Review Report

Cash and cash equivalents:

Cash includes amounts in demand deposits and on hand. For purposes of the statement of cash flows, the Village considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Investments:

Under State law, the Village may invest in United States bonds, treasury notes or certificates, or time certificates of deposit of State banks having their principal office in the State of Louisiana, or any other federally insured investment. The Village may also invest in shares of any homestead and building and loan association in any amount not exceeding the federally insured amount. The Village's investments at June 30, 2019 consisted of time certificates of deposit purchased from local financial institutions. These certificates of deposit are not subject to GASB Statement No. 31 requirements; thus, they are stated at cost.

Custodial credit risk:

At June 30, 2019, the carrying amount of the Village's deposits, including demand deposit accounts and certificates of deposit, was \$813,901 and the bank balance was \$818,202. Of the bank balance, \$500,000 was secured from risk by federal deposit insurance and the remainder by pledged securities held by the custodial banks in the name of the fiscal agent bank (GASB Category 3). Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, 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 has failed to pay deposited funds upon demand.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The Village's policy to ensure there is no exposure to this risk is to require each financial institution to pledge their own securities to cover any amount in excess of Federal Depository Insurance Coverage. These securities must be pledged in the Village's name. As a means of limiting its exposure to fair value losses arising from rising interest rates, it is the Village's policy that generally the Village only invest in "certificate of deposit" and "money market instruments," which are defined as very creditworthy, highly liquid investments with maturities of one year or less.

Receivables:

Accounts receivable for the Utility Fund are reported net of an allowance for doubtful accounts. The allowance amount at June 30, 2019 was \$-0-. Unbilled services receivable represent water and sewer services provided to customers through June 30, 2019 that have not been billed as of June 30, 2019.

Interfund receivables and payables:

Short-term cash borrowings between funds are considered temporary in nature. These amounts are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

NOTES TO FINANCIAL STATEMENTS
See Independent Accountants' Review Report

Fixed assets:

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

Government-wide financial statements -

The Village's property, plant, equipment and infrastructure with useful lives of more than one year are stated at historical cost or estimated historical cost for assets where actual historical cost is not available and reported in the government-wide financial statements as capital assets. The Village maintains a threshold level of \$500 for capitalizing capital assets. The costs of normal repairs and maintenance that do not add to the value of an asset or materially extend asset useful lives are not capitalized. Depreciation of all exhaustible fixed 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:

	<u>Years</u>
Buildings and improvements	8 – 41
Improvements, other than buildings	30
Machinery and equipment	3 – 15
Infrastructure	20
Water utility system	5 – 50
Sewer utility system	7 – 50

Fund financial statements -

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

Restricted assets:

Certain resources of the Utility Fund are classified as restricted assets in the statement of net position because they represent customers' deposits being held by the Village.

Compensated absences:

Employees earn a set amount of annual vacation leave depending on years of service. Vacation cannot be accumulated and compensation in lieu of vacation is not paid. In addition, the Village does not grant sick leave to its employees. Therefore, no provision for compensated absences has been made in the financial statements.

NOTES TO FINANCIAL STATEMENTS
See Independent Accountants' Review Report

Pensions -

The Village of Mermentau is a covered employer of the Municipal Employees' Retirement System of Louisiana (MERS). All full-time employees of the Village are mandated to be enroll and participate in MERS. For the fiscal year ended June 30, 2019, the Village did not have any full-time employees and therefore there is no net pension liability, deferred outflow of resources and deferred inflows of resources related to pensions, and pension expense.

Equity classifications:

Government-wide financial statements -

Equity is classified as net position and displayed in three components: (1) net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation, (2) restricted net position - consists of net position with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (b) law through constitutional provisions or enabling legislation, and (3) unrestricted net position - all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

The government-wide statement of net position reports \$284,573 of restricted net position, all of which is restricted by enabling legislation.

Fund financial statements -

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned and unassigned. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- 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;
- 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;
- 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;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

NOTES TO FINANCIAL STATEMENTS
See Independent Accountants' Review Report

The Board of Aldermen establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board of Aldermen through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

Proprietary fund equity is classified the same as in the government-wide statements.

Interfund transfers:

Permanent reallocation of resources between funds of the primary government are classified as interfund transfers. For purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Impairments:

A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. The Village is required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. A capital asset generally should be considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. The Village recorded no impairment losses during the year ended June 30, 2019.

Note 2. Property Taxes

Government-wide financial statements -

Property taxes are recognized in the year for which they are levied, net of uncollectible amounts, as applicable.

Fund financial statements -

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and are payable by December 31. The Village bills and collects its own property taxes. Property tax revenues are recognized when levied to the extent that they result in current receivables.

NOTES TO FINANCIAL STATEMENTS
See Independent Accountants' Review Report

Governmental activities -

For the year ended June 30, 2019, property taxes of 11.52 mills were levied for general corporate purposes on assessed valuations totaling \$2,829,829. Total taxes levied were \$32,599. Substantially, all property taxes have been collected as of June 30, 2019.

Business type activities -

In 2014, the Village residents voted for a 12.42 mill tax for debt service on the utility fund's new water treatment facility to service the indebtedness on the bonds issued to facilitate construction of the project. The tax was levied for the first time in September 2015. For the year ended June 30, 2019, property taxes of 12.42 mills were levied for debt service on assessed valuations totaling \$2,829,829. Total taxes levied were \$35,147. Substantially, all property taxes have been collected as of June 30, 2019.

Note 3. Dedication of Sales and Use Tax Proceeds

The proceeds of the 1979 1% sales and use tax are accounted for in the Sales Tax Fund and are dedicated to the following purposes:

1. Defraying the cost of improving, maintaining, and operating the Fire Department of the Village,
2. Defraying the cost of improving and maintaining the streets and thoroughfares of the Village,
3. Defraying the cost of improving, maintaining, and operating the Drainage System of the Village,
4. Defraying the cost of improving, operating, and maintaining the Waterworks System of the Village, and
5. Defraying the cost of improving, maintaining, and operating the Sewerage System of the Village.

Note 4. Due From Other Governmental Agencies

Due from other governmental agencies at June 30, 2019 consisted of the following:

Fund financial statements:

Governmental funds -

Sales taxes due from Acadia Parish School Board	\$ 5,854
State of Louisiana	<u>115</u>

\$ 5,969

Government-wide financial statements:

Total amount reported in -

Governmental funds, above	\$ 5,969
Additional sales taxes due from the Acadia Parish School Board	<u>9,125</u>

\$ 15,094

NOTES TO FINANCIAL STATEMENTS
See Independent Accountants' Review Report

Note 5. Interfund Balances

Interfund balances at June 30, 2019 consist of the following:

	<u>Due From:</u> <u>Utility</u> <u>Fund</u>
Due to:	
General Fund	<u>\$ 5,441</u>

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

Note 6. Interfund Transfers

Interfund transfers for the year ended June 30, 2019 consist of the following:

	<u>Transfers From:</u>	
	<u>General Fund</u>	<u>Sales Tax Fund</u>
Transfer to:		
General Fund	\$ -	\$ 19,090
Utility Fund	<u>549</u>	<u>13,339</u>
Total	<u>\$ 549</u>	<u>\$ 32,429</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.

NOTES TO FINANCIAL STATEMENTS
See Independent Accountants' Review Report

Note 7. Capital Assets and Depreciation

Capital assets activity for the year ended June 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated –				
Land	\$ 19,987	\$ -	\$ -	\$ 19,987
Total capital assets, not being Depreciated	<u>\$ 19,987</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,987</u>
Capital assets being depreciated –				
Buildings and improvements	\$ 96,158	\$ -	\$ -	\$ 96,158
Improvements other than buildings	404,994	1,325	-	406,319
Machinery and equipment	223,977	29,035	(9,000)	244,012
Infrastructure	<u>1,050,382</u>	<u>-</u>	<u>-</u>	<u>1,050,382</u>
Total capital assets being depreciated	<u>\$ 1,775,511</u>	<u>\$ 30,360</u>	<u>\$ (9,000)</u>	<u>\$ 1,796,871</u>
Less accumulated depreciation for –				
Buildings and improvements	\$ (62,965)	\$ (2,272)	\$ -	\$ (65,237)
Improvements other than buildings	(96,145)	(13,513)	-	(109,658)
Machinery and equipment	(176,757)	(15,623)	9,000	(183,380)
Infrastructure	<u>(486,202)</u>	<u>(30,496)</u>	<u>-</u>	<u>(516,698)</u>
Total accumulated depreciation	<u>\$ (822,069)</u>	<u>\$ (61,904)</u>	<u>\$ 9,000</u>	<u>\$ (874,973)</u>
Total capital assets being depreciated, net	<u>\$ 953,442</u>	<u>\$ (31,544)</u>	<u>\$ -</u>	<u>\$ 921,898</u>
Governmental activities capital assets, net	<u>\$ 973,429</u>	<u>\$ (31,544)</u>	<u>\$ -</u>	<u>\$ 941,885</u>

(continued)

NOTES TO FINANCIAL STATEMENTS
See Independent Accountants' Review Report

Note 7. Capital Assets and Depreciation (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated –				
Land	\$ 22,082	\$ -	\$ -	\$ 22,082
Construction in progress	<u>48,808</u>	<u>-</u>	<u>(48,808)</u>	<u>-</u>
Total capital assets, not being depreciated	<u>\$ 70,890</u>	<u>\$ -</u>	<u>\$ (48,808)</u>	<u>\$ 22,082</u>
Capital assets being depreciated –				
Water utility system	\$ 365,577	\$ -	\$ -	\$ 365,577
Sewer utility system	3,117,239	-	-	3,117,239
Machinery and equipment	<u>45,981</u>	<u>1,435</u>	<u>-</u>	<u>47,416</u>
Total capital assets being depreciated	<u>\$ 3,528,797</u>	<u>\$ 1,435</u>	<u>\$ -</u>	<u>\$ 3,530,232</u>
Less accumulated depreciation for –				
Water utility system	\$ (294,175)	\$ (71,175)	\$ -	\$ (365,350)
Sewer utility system	(990,028)	(5,008)	-	(995,036)
Machinery and equipment	<u>(45,499)</u>	<u>(460)</u>	<u>-</u>	<u>(45,959)</u>
Total accumulated depreciation	<u>\$(1,329,702)</u>	<u>\$ (76,643)</u>	<u>\$ -</u>	<u>\$(1,406,345)</u>
Total capital assets being depreciated, net	<u>\$ 2,199,095</u>	<u>\$ (75,208)</u>	<u>\$ -</u>	<u>\$ 2,123,887</u>
Business-type activities capital assets, net	<u>\$ 2,269,985</u>	<u>\$ (75,208)</u>	<u>\$ (48,808)</u>	<u>\$ 2,145,969</u>

Depreciation expense for the year ended June 30, 2019 was charged as follows:

Governmental activities:	
General government	\$ 2,042
Public safety	1,425
Public works	58,076
Culture and recreation	<u>361</u>
Total governmental activities depreciation expense	<u>\$ 61,904</u>
Business-type activities:	
Gas, water and sewer	<u>\$ 76,643</u>

NOTES TO FINANCIAL STATEMENTS
See Independent Accountants' Review Report

Note 8. Long-Term Liabilities

Long-term debt outstanding at June 30, 2019 is as follows:

\$1,000,000 of Taxable General Obligation Bonds, Series 2014, sold to the Louisiana Drinking Water Revolving Loan Fund, interest payable semi-annually on February 1 and August 1, principal payable annually on August 1, interest at 2.45%, due August 1, 2034.

\$ 581,327

The following is a summary of activity of long-term liabilities for the year ended June 30, 2019:

	<u>June 30,</u> <u>2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30,</u> <u>2019</u>	<u>Current</u> <u>Portion</u>
Business-type activities:					
General obligation bonds	\$ 608,327	\$ -	\$ 27,000	\$ 581,327	\$ 28,000
Pension liability	<u>15,683</u>	<u>-</u>	<u>15,683</u>	<u>-</u>	<u>-</u>
	<u>\$ 624,010</u>	<u>\$ -</u>	<u>\$ 42,683</u>	<u>\$ 581,327</u>	<u>\$ 28,000</u>

The Louisiana Drinking Water Revolving Loan Fund results from the Safe Drinking Water Act Amendments of 1996 of the United States. The Act authorizes capitalization grants to states to be used for the purpose of providing loans or loan guarantees, or as a source of reserve and security for leveraged loans, the proceeds of which are deposited in a State Revolving Fund, or to provide other financial assistance authorized under the Federal Act to community water systems. The State of Louisiana has established a Drinking Water Revolving Loan Fund (the "State Revolving Fund") under the custody of the Louisiana Department of Health and Hospitals to be used for the purpose of providing financial assistance for the improvement of public drinking water systems in the State.

For the purpose of financing the costs of the Village's Water Treatment Plant Project, the Department committed to lend to the Village, from the State Revolving Fund under the terms and conditions specified in the Federal Act, the maximum sum of \$1,000,000, provided all of the conditions and requirements are fulfilled to the satisfaction of the Department. The Village's obligation to repay the loan is represented by the General Obligation Bonds issued by the Village pursuant to the Authorizing Ordinance and sold to the Department. In the Authorizing Ordinance, the Village established a dedicated source of revenue for the repayment of the Bonds by the passage of an ad valorem tax for debt service.

In order to meet the federal-law mandate that at least 20% but no more than 30% of funds utilized by the State Revolving Fund and derived from federal capitalization grants be used to provide additional subsidization to eligible recipients in the form of forgiveness of principal, the Department agrees to forgive the Additional Subsidy Amount. Upon the payment of each principal draw on the loan, and without any further action on the part of the Department or the Village, 30% of the principal amount of each such draw on the Loan is immediately and irrevocably deemed to be forgiven by the Department, and no interest will accrue on the principal amount that is forgiven. Through June 30, 2019, cumulative draws of \$960,467 were made on the State Revolving Loan Fund, of which 30%, or \$288,140, is the cumulative amount of debt forgiveness that has been recorded as grant revenue in the Utility Fund.

NOTES TO FINANCIAL STATEMENTS
See Independent Accountants' Review Report

Based on draws made through June 30, 2019, along with the 30% reduction for debt forgiveness, the estimated amounts for long-term debt will be due as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 28,000	\$ 16,736	\$ 44,736
2021	29,000	15,895	44,895
2022	30,000	15,025	45,025
2023	31,000	14,125	45,125
2024	32,000	13,196	45,196
2025 – 2029	176,000	50,995	226,995
2030 – 2034	209,000	22,689	231,689
2035	<u>46,327</u>	<u>683</u>	<u>47,010</u>
	<u>\$ 581,327</u>	<u>\$ 149,344</u>	<u>\$ 730,671</u>

Note 9. Contingencies

The Village operates a Sanitary Wastewater Disposal System under a NPEDS permit. The NPEDS permit and the State permit under which the discharge is regulated has been the subject of scrutiny by the Environmental Protection Agency (EPA) and the Department of Environmental Quality. The Village is under an Administrative Order to upgrade its facility in order to comply with the permit and the expected more stringent permit discharges. The Village has been cited for past violations and a compliance order was issued. The Village has completed the building and rehabilitation of the sewer pond and the addition of a marsh/rockweed filter to achieve those limits. The Village continues to make efforts to comply with the permit limitations for discharge and to maintain the plant in accordance with those standards. During fiscal year 2010, the Village began a sewer rehabilitation project that is being funded via a Louisiana Community Development Block Grant. While the Village is making efforts to resolve the violations detailed in the Administrative Order, the EPA is authorized to assess appropriate penalties if the violations are not corrected. As of June 30, 2019, the Village has not been assessed any such penalties.

In the normal course of operations, the Village receives grant funds from various Federal and State agencies. The grant programs are subject to audits by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement, which may arise as a result of these audits, is not believed to be material.

Note 10. Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village purchases commercial insurance to cover any claims related to these risks.

NOTES TO FINANCIAL STATEMENTS
See Independent Accountants' Review Report

Note 11. Compensation of Elected Officials

A detail of compensation paid to individual elected officials for the year ended June 30, 2019 follows:

Darla Istre, Mayor	\$ 720
Aldermen:	
Troy Cormier	360
Joshua Landry	360
Todd Boudreaux	<u>360</u>
	<u>\$ 1,800</u>

Note 12. Lease Agreement

The Village entered into a lease agreement with a communications company on October 12, 2009 that replaced a previous agreement, allowing the company to access and install radio transmitting equipment on the Village's water tower. The lease requires the lessee to pay the Village \$750 per month. The agreement ends on August 31, 2019, with an optional five year renewal after that date.

Note 13. Payroll Taxes and Retirement Contributions

The Village withheld and paid into the Municipal Employees' Retirement System of Louisiana for an employee that was determined to be ineligible. The Village received a refund during the fiscal year ended June 30, 2019 in the amount of \$16,214 which represents the Village's share of the reimbursement. The portion of the reimbursement for the employee was remitted to the employee during the year. In addition, the pension liability, and deferred inflows and outflows were removed from the Statements of Net Position resulting in a total retirement reimbursement of \$40,481.

In addition, the Village did not properly withhold and remit social security and medicare taxes on employees not participating in the state retirement system for a portion of the fiscal year ended June 30, 2019. Management has not determined the amount of payroll tax liability that needs to be remitted. Consequently, there are no amounts recorded for amounts payable from social security and medicare taxes not properly withheld.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF MERMENEAU, LOUISIANA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Year Ended June 30, 2019
 See Independent Accountants' Review Report

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes –				
Property	\$ 20,000	\$ 20,000	\$ 31,972	\$ 11,972
Housing authority	3,900	3,900	7,135	3,235
Electric franchise	28,000	28,000	32,174	4,174
Telephone franchise	2,000	2,000	795	(1,205)
Gas franchise	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>(3,000)</u>
Total taxes	<u>\$ 56,900</u>	<u>\$ 56,900</u>	<u>\$ 72,076</u>	<u>\$ 15,176</u>
Licenses and permits –				
Licenses	\$ 16,500	\$ 16,500	\$ 61,442	\$ 44,942
Building permits	<u>100</u>	<u>100</u>	<u>710</u>	<u>610</u>
Total licenses and permits	<u>\$ 16,600</u>	<u>\$ 16,600</u>	<u>\$ 62,152</u>	<u>\$ 45,552</u>
Intergovernmental –				
State highway maintenance fees	\$ 1,100	\$ 1,100	\$ 1,237	\$ 137
Alcoholic beverage tax	1,000	1,000	723	(277)
Video poker machine fees	<u>1,000</u>	<u>1,000</u>	<u>892</u>	<u>(108)</u>
Total intergovernmental	<u>\$ 3,100</u>	<u>\$ 3,100</u>	<u>\$ 2,852</u>	<u>\$ (248)</u>
Fines and forfeits	<u>\$ 37,000</u>	<u>\$ 37,000</u>	<u>\$ 15,901</u>	<u>\$ (21,099)</u>
Investment income	<u>\$ 1,800</u>	<u>\$ 1,800</u>	<u>\$ 163</u>	<u>\$ (1,637)</u>
Miscellaneous	<u>\$ 28,500</u>	<u>\$ 28,500</u>	<u>\$ 18,985</u>	<u>\$ (9,515)</u>
Total revenues	<u>\$ 143,900</u>	<u>\$ 143,900</u>	<u>\$ 172,129</u>	<u>\$ 28,229</u>

(continued)

VILLAGE OF MERMENEAU, LOUISIANA

BUDGETARY COMPARISON SCHEDULE (CONTINUED)

GENERAL FUND

Year Ended June 30, 2019

See Independent Accountants' Review Report

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Expenditures:				
Current –				
General government:				
Salaries and wages	\$ 16,330	\$ 16,330	\$ 13,103	\$ 3,227
Payroll taxes	200	200	588	(388)
Retirement contributions	900	900	-	900
Office supplies	3,000	3,000	4,855	(1,855)
Dues and subscriptions	500	500	340	160
Utilities	8,200	8,200	7,657	543
Repairs and maintenance	900	900	635	265
Insurance	600	600	627	(27)
Printing and postage	1,800	1,800	1,930	(130)
Professional services	10,000	10,000	18,277	(8,277)
Collection fees	3,500	3,500	3,237	263
Miscellaneous	<u>1,500</u>	<u>1,500</u>	<u>2,899</u>	<u>(1,399)</u>
Total general government	<u>\$ 47,430</u>	<u>\$ 47,430</u>	<u>\$ 54,148</u>	<u>\$ (6,718)</u>
Public safety:				
Salaries and wages	\$ 12,100	\$ 12,100	\$ 8,401	\$ 3,699
Payroll taxes	150	150	616	(466)
Materials and supplies	4,000	4,000	4,140	(140)
Repairs and maintenance	6,900	6,900	2,571	4,329
Insurance	1,000	1,000	1,320	(320)
Miscellaneous	<u>2,000</u>	<u>2,000</u>	<u>1,224</u>	<u>776</u>
Total public safety	<u>\$ 26,150</u>	<u>\$ 26,150</u>	<u>\$ 18,272</u>	<u>\$ 7,878</u>
Public works:				
Salaries and wages	\$ 20,708	\$ 20,708	\$ 25,479	\$ (4,771)
Payroll taxes	425	425	1,692	(1,267)
Retirement contributions	1,000	1,000	-	1,000
Materials and supplies	8,000	8,000	3,796	4,204
Utilities	14,100	14,100	15,672	(1,572)
Repairs and maintenance	21,200	21,200	20,820	380
Insurance	10,000	10,000	28,606	(18,606)
Miscellaneous	<u>1,900</u>	<u>1,900</u>	<u>180</u>	<u>1,720</u>
Total public works	<u>\$ 77,333</u>	<u>\$ 77,333</u>	<u>\$ 96,245</u>	<u>\$ (18,912)</u>

(continued)

VILLAGE OF MERMENTAU, LOUISIANA
 BUDGETARY COMPARISON SCHEDULE (CONTINUED)
 GENERAL FUND
 Year Ended June 30, 2019
 See Independent Accountants' Review Report

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Culture and recreation:				
Utilities	\$ 1,700	\$ 1,700	\$ 367	\$ 1,333
Repairs and maintenance	<u>2,000</u>	<u>2,000</u>	<u>480</u>	<u>1,520</u>
Total culture and recreation	<u>\$ 3,700</u>	<u>\$ 3,700</u>	<u>\$ 847</u>	<u>\$ 2,853</u>
Capital outlay	<u>\$ 4,287</u>	<u>\$ 4,287</u>	<u>\$ 30,360</u>	<u>\$ (26,073)</u>
Total expenditures	<u>\$ 158,900</u>	<u>\$ 158,900</u>	<u>\$ 199,872</u>	<u>\$ (40,972)</u>
Excess (deficiency) of revenues over expenditures	\$ (15,000)	\$ (15,000)	\$ (27,743)	\$ (12,743)
Other financing sources:				
Proceeds from sale of assets	\$ -	\$ -	\$ 500	\$ 500
Transfers in	<u>15,000</u>	<u>15,000</u>	<u>18,541</u>	<u>3,541</u>
Total other financing sources	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ 19,041</u>	<u>\$ 4,041</u>
Net change in fund balance	\$ -	\$ -	\$ (8,702)	\$ (8,702)
Fund balance, beginning	<u>370,624</u>	<u>370,624</u>	<u>370,624</u>	<u>-</u>
Fund balance, ending	<u>\$ 370,624</u>	<u>\$ 370,624</u>	<u>\$ 361,922</u>	<u>\$ (8,702)</u>

See Notes to Budgetary Comparison Schedules.

VILLAGE OF MERMENAU, LOUISIANA
 BUDGETARY COMPARISON SCHEDULE
 SALES TAX FUND
 Year Ended June 30, 2019
 See Independent Accountants' Review Report

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Revenues:				
Taxes –				
Sales taxes	\$ 20,000	\$ 20,000	\$ 68,036	\$ 48,036
Expenditures:				
Current –				
General government:				
Professional services	\$ 1,850	\$ 1,850	\$ -	\$ 1,850
Collection fees	<u>1,000</u>	<u>1,000</u>	<u>1,683</u>	<u>(683)</u>
Total general government	<u>\$ 2,850</u>	<u>\$ 2,850</u>	<u>\$ 1,683</u>	<u>\$ 1,167</u>
Excess of revenues over expenditures	<u>\$ 17,150</u>	<u>\$ 17,150</u>	<u>\$ 66,353</u>	<u>\$ 49,203</u>
Other financing sources (uses):				
Transfers out	<u>\$ (17,150)</u>	<u>\$ (17,150)</u>	<u>\$ (32,429)</u>	<u>\$ (15,279)</u>
Net change in fund balance	\$ -	\$ -	\$ 33,924	\$ 33,294
Fund balance, beginning	<u>187,501</u>	<u>187,501</u>	<u>187,501</u>	<u>-</u>
Fund balance, ending	<u>\$ 187,501</u>	<u>\$ 187,501</u>	<u>\$ 221,425</u>	<u>\$ 33,924</u>

See Notes to Budgetary Comparison Schedules.

VILLAGE OF MERMENTAU, LOUISIANA

NOTES TO THE BUDGETARY COMPARISON SCHEDULES
See Independent Accountants' Review Report

Note 1. Budgets and Budgetary Accounting

The Village of Mermentau, Louisiana uses the following procedures in establishing the budgetary data reflected in the financial statements:

1. The Mayor submits to the Board of Aldermen a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. The budget is then legally enacted through passage of an ordinance.
4. The Mayor is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Aldermen.
5. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
6. The budget is employed as a management control device during the year that assists its users in financial activity analysis.

All budget appropriations lapse at year end. The budgets presented are the originally adopted budget and the final budget which is the same as the originally adopted budget because no amendments to the original budget were made during the year.

Note 2. Stewardship, Compliance and Accountability

Excess of Expenditures Over Appropriations. The following individual funds had actual expenditures in excess of budgeted expenditures for the year ended June 30, 2019:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Excess</u>
General Fund	\$ 158,900	\$ 158,900	\$ 199,872	\$ (40,972)

OTHER SUPPLEMENTARY INFORMATION

VILLAGE OF MERMENAU

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO AGENCY HEAD

For the Year Ended June 30, 2019
See Independent Accountants' Review Report

Agency Head: Darla Istre, Mayor

Purpose:

Salary

\$. 720

VILLAGE OF MERMENTAU, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2019
See Independent Accountants' Review Report

We have reviewed the basic financial statements of the Village of Mermentau, Louisiana, as of and for the year ended June 30, 2019, and have issued our report thereon dated December 13, 2019. We conducted our review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance that there are no 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. 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.

Section II. Financial Statement Findings

#2019-1 Segregation of Duties

Condition: The Village does not have an adequate segregation of duties in the administrative office. A system of internal control procedures contemplates a segregation of duties so that no one individual handles a transaction from its inception to its completion. While we recognize that the Village may not be large enough to permit an adequate segregation of duties for an effective system of internal control procedures, it is important that you be aware of this condition.

Criteria: An effective system of internal control requires proper segregation of employee duties and responsibilities so that no one individual handles a transaction from inception to completion.

Cause: The Village has a limited number of employees with the accounting function.

Effect: Ineffective system of internal controls over financial reporting.

Recommendation: While we recognize that the Village may not be large enough to permit an adequate segregation of duties for an effective system of internal control procedures, it is important that you be aware of this condition. Keeping in mind the limited number of employees to which duties can be assigned, the Village should monitor assignment of duties to assure as much segregation of duties and responsibility as possible.

Response: We have segregated duties as much as possible with the resources available. We will continue to monitor the situation.

#2019-2 Accounts Receivable Reconciliation

Condition: The Village uses printed copies of utility billings as its subsidiary ledger for accounts receivable. During the year tapes run on the subsidiary record were not in agreement with the general ledger and no attempt was made to reconcile both records and adjust for any differences. Based on inquiries to determine the out-of-balance condition, we discovered that billing adjustments were being made and also not reflected in the general ledger and only one adding machine tape was made to document the ending balance of customer accounts.

Criteria: General ledger accounts should be reconciled on at least a monthly basis. Adjustments to customer's bills should be approved by the appropriate authority and adjustments should be recorded to reflect the receivable and revenue in the Village's general ledger.

VILLAGE OF MERMENEAU, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
Year Ended June 30, 2019
See Independent Accountants' Review Report

Cause: Besides recording the monthly revenue and collections, no further adjustments are being recorded to accounts receivable as bills are adjusted. There is no reconciliation process to determine what the balance should be or a process to determine if it is out of balance.

Effect: The accounts receivable subsidiary is overstated and there are no effective internal controls to prevent errors or irregularities.

Recommendation: Each month the balancing procedure for customer billing should be performed using consecutive tapes of customer's outstanding bills to determine there are no errors in the computed balance. That balance should be compared to the general ledger taking into account timing differences that may occur from receipt of payments and deposit into the bank account. Further, each deposit should be supported by the copies of the customer bill and independently verified that both deposit amount and bill totals agree. Any adjustments to customer bills should be approved by the Mayor or Council and documented on the Village's copy of the utility bill and signed by the appropriate individual authorizing the adjustment. The general ledger should be adjusted to the subsidiary record once an accurate balance has been determined. Consistent differences each month should be investigated.

Response: The Village will implement the suggestions to reconcile the accounts and implement a formal approval process for adjustment of utility charges on customer bills. Adjustments will be made to reconcile the account and discrepancies will be investigated to determine their source.

#2019-3 Budget Violation

Condition: The Louisiana Local Government Budget Act requires governments to both adopt a realistic budget and amend their budget when total actual revenues fail to meet budgeted revenues or actual expenditures exceed total budgeted expenditures by 5% or more. For the year ended June 30, 2019, actual expenditures exceeded budgeted expenditures by \$40,972 or 25.78% of budgeted expenditures in the General Fund.

Criteria: LA R.S. 39:1301 - 1315 requires political subdivisions of the state with a general fund or special revenue fund to timely amend the budget when actual revenues are less than budgeted revenues by 5% or more or actual expenditures exceed budgeted expenditures by 5% or more.

Cause: The Village did not develop a realistic budget based on current anticipated revenues and expenditures, instead adopting the prior year budget and is not properly amending the budget during the year.

Effect: Actual expenditures in the General Fund were above budgeted expenditures by more than 5%.

Recommendation: The budget should be reviewed periodically during the year, and amended as necessary, to ensure compliance.

Response: The budget will be monitored to ensure compliance with State law.

VILLAGE OF MERMENAU, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
Year Ended June 30, 2019
See Independent Accountants' Review Report

#2019-4 Payroll Taxes and Retirement Contributions

Condition: The Village is required to determine which employees are eligible for the Municipal Employees' Retirement System of Louisiana. The Village is required to withhold and pay social security on all employees not covered by a state retirement system and employees who are ineligible for state retirement system. In addition, the Village should be withholding and paying medicare taxes for all employees.

Criteria: The Village is required to determine which employees are eligible for the Municipal Employees' Retirement System of Louisiana. The Village is required to withhold and pay social security on all employees not covered by a state retirement system and employees who are ineligible for state retirement system. In addition, the Village should be withholding and paying medicare taxes for all employees.

Cause: The Village withheld and paid retirement for an employee that was later determined to be ineligible for retirement. The Village failed to withhold and pay social security on all employees not covered by a state retirement system and employees who are ineligible for state retirement system for a portion of the current year. The Village failed to withhold and pay medicare taxes for all employees for a portion of the current year.

Effect: The Village withheld and paid retirement for an employee that was later determined to be ineligible for retirement. The Village did not properly withhold and remit social security and medicare taxes as required by law.

Recommendation: We would recommend that the Village determine which employees are eligible for participation in the Municipal Employees' Retirement System of Louisiana. We would also recommend that the Village withhold and remit social security and medicare taxes as required by law.

Response: The Village began withholding and remitting social security and medicare taxes as required by law. The Village contacted the Municipal Employees' Retirement System of Louisiana and a retirement reimbursement was received during the current fiscal year.

VILLAGE OF MERMENEAU, LOUISIANA

SCHEDULE OF PRIOR FINDINGS

Year Ended June 30, 2019

Section I. Internal Control and Compliance Material to the Financial Statements.

#2018-1 Segregation of Duties

Recommendation: While we recognize that the Village may not be large enough to permit an adequate segregation of duties for an effective system of internal control procedures, it is important that you be aware of this condition. Keeping in mind the limited number of employees to which duties can be assigned, the Village should monitor assignment of duties to assure as much segregation of duties and responsibility as possible.

Current status: This finding is repeated in the current year at #2019-1. The Village has provided as much segregation as possible with the resources available.

#2018-2 Accounts Receivable Reconciliation

Recommendation: Each month the balancing procedure for customer billing should be performed using consecutive tapes of customer's outstanding bills to determine there are no errors in the computed balance. That balance should be compared to the general ledger taking into account timing differences that may occur from receipt of payments and deposit into the bank account. Further, each deposit should be supported by the copies of the customer bill and independently verified that both deposit amount and bill totals agree. Any adjustments to customer bills should be approved by the Mayor or Council and documented on the Village's copy of the utility bill and signed by the appropriate individual authorizing the adjustment. The general ledger should be adjusted to the subsidiary record once an accurate balance has been determined. Consistent differences each month should be investigated.

Current status: The finding is repeated in the current year at #2019-2.

#2018-3 Budget Violation

Recommendation: The budget should be reviewed periodically during the year, and amended as necessary, to ensure compliance.

Current status: The finding is repeated in the current year at #2019-3.

#2018-4 Transactions not recorded on general ledger

Recommendation: We would recommend that all transaction be recorded in the general ledger in the month they occur. In addition, all bank statements should be reconciled monthly to insure that all transactions are recorded properly.

Current status: All transactions were recorded in the general ledger in the current year.

#2018-5 Payroll Taxes and Retirement Contributions

Recommendation: We would recommend that the Village determine which employees are eligible for participation in the Municipal Employees' Retirement System of Louisiana. We would also recommend that the Village withhold and remit social security and medicare taxes as required by law.

VILLAGE OF MERMENTAU, LOUISIANA
SCHEDULE OF PRIOR FINDINGS (CONTINUED)
Year Ended June 30, 2019

Current status: The Village of Mermentau contacted the Municipal Employees' Retirement System of Louisiana and received a refund in the current year. The Village also began withholding and remitting social security and medicare taxes as required by law during the current year.

Section II. Internal Control and Compliance Material to Federal Awards

Not applicable

Section III. Management Letter

There were no matters reported in a separate management letter for the year ended June 30, 2018.

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INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Darla Istre, Mayor,
and the Board of Aldermen
Village of Mermentau, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of the Village of Mermentau, and the Legislative Auditor (specified parties), on the Village of Mermentau's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the year fiscal year ended June 30, 2019, as required by the Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. Management of the Village of Mermentau is responsible for its financial records and compliance with applicable laws and regulations. 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.

The procedures and associated findings are as follows:

Public Bid Law

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$30,000, and public works exceeding \$154,450. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1775 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), whichever is applicable; and report whether the expenditures were made in accordance with these laws..

There were no purchases made during the year for materials and supplies exceeding \$30,000. There were no public works purchases exceeding \$154,450 during the current year ending June 30, 2019.

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 RS 42:1101-1124 (the ethics law)

Management provided us with the required list.

3. Obtain a list of all employees paid during the fiscal year.

Management provided us with the required list.

4. Report whether any employees' name appear on both lists obtain in Procedures 2 and 3.

None of the employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2).

5. Obtain a list of all disbursements during the year; and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report as to whether any vendors appear on both lists.

None of the outside business interests of board members, employees and employees' immediate families were noted to have received payments from the Village.

Budgeting

6. 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 to the budget during the fiscal year.

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

The original budget was adopted on June 18, 2018. There were no amendments to the budget during the year.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more. (For agencies that must comply with the Licensing Agency Budget Act only, compare the expenditures of the final budget to actual expenditures, and report whether actual expenditures exceeded budgeted amounts by 10% or more per category or 5% or more in total).

Actual expenditures in the general fund exceeded budgeted expenditures by 25.78%. State law exempts special revenue funds, such as the sales tax fund, with anticipated expenditures of \$500,000 or less from the amendment requirements.

Accounting and Reporting

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements, and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and: (a) report whether the six disbursements agree to the amount and payee in the supporting documentation, (b) report whether the six disbursements are coded to the correct fund and general ledger account, and (c) report whether the six disbursements were approved in accordance with management's policies and procedures.

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to correct payee, were coded to the correct fund and general ledger account and were approved in accordance with management's policies and procedures.

Meetings

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 (the open meetings law); and report whether there are any exceptions.

We examined supporting documentation indicating that the Village advertised its agendas for meetings in the official journal.

Debt

11. Obtain bank deposit slips for the fiscal year, and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

We examined bank deposits for the year under review and did not note any deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

We inspected payroll records and minutes for the year and did not note any instances of payments to employees, which would constitute bonuses, advances or gifts.

State Audit Law

13. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

The report was provided timely in accordance with R.S. 24:513.

14. Inquire of management and report whether the agency entered 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).

Per Management the agency did not enter into any contacts that utilized state funds as defined in R.S. 39:71.A.(2) and that were subjected to the public bid law.

Prior-Year Comments

15. Obtain and report management's representation as to whether any prior-year suggestions, recommendations, and/or comments have been resolved.

On schedule L-1, we have for repeat findings from our review report dated December 13, 2019 related to segregation of duties, the reconciliation of the accounts receivable subsidiary ledger and compliance with the Louisiana budget provisions in state law, and payroll taxes and retirement contributions.

The agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accounts, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on management's compliance with the foregoing matters. 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 to describe the scope of testing performed on the Agency's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Broussard Poche, LLP

Lafayette, Louisiana
December 13, 2019

LOUISIANA COMPLIANCE QUESTIONNAIRE
(For Audit Engagements of Government Agencies)

_____ (Date Transmitted)

Broussard Poche', LLP (CPA Firm Name)
PO Box 61400 (CPA Firm Address)
Lafayette LA 70596 (City, State Zip)

In connection with your audit of our financial statements as of July 1, 2018 and for June 30, 2019 (period of audit) for the purpose of expressing an opinion as to the fair presentation of our financial statements in accordance with accounting principles generally accepted in the United States of America, to assess our internal control structure as a part of your audit, and to review our compliance with applicable laws and regulations, we confirm, to the best of our knowledge and belief, the following representations. These representations are based on the information available to us as of _____ (date completed/date of the representations).

PART I. AGENCY PROFILE

1. Name and address of the organization.

Village of Mermentau
 PO Box 280
 Mermentau LA 70556

2. List the population of the municipality or parish based upon the last official United States Census or most recent official census (municipalities and police juries only). Include the source of the information.

665 John M. Schroder
 State Treasurer

3. List names, addresses, and telephone numbers of entity officials. Include elected/appointed members of the governing board, chief executive and fiscal officer, and legal counsel.

Darla Istre PO Box 1 Mermentau LA 70556 337-824-4259	Troy Cormier PO Box 294 Mermentau LA 70556 337-515-6193	Todd Boudreau PO Box 97 Mermentau LA 70556 337-824-8858	Joshua Landry PO Box 221 Mermentau LA 70556 337-295-4026	Cheyenne Miller PO Box 153 Mermentau LA 70556 337-442-9345	Cory Sraux 199 John Smith Road Morse LA 70559 337-275-8608
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4. Period of time covered by this questionnaire.

July 1, 2018 to June 30, 2019

5. The entity has been organized under the following provisions of the Louisiana Revised Statute(s) (R.S.) and, if applicable, local resolutions/ordinances.

6. Briefly describe the public services provided.

municipal government for the village of mermentau

7. Expiration date of current elected/appointed officials' terms.

December 31, 2022

LEGAL COMPLIANCE

PART II. PUBLIC BID LAW

8. The provisions of the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration, State Purchasing Office have been complied with.

A) All public works purchases exceeding \$154,450 have been publicly bid.

B) All material and supply purchases exceeding \$30,000 have been publicly bid.

Yes No []

PART III. CODE OF ETHICS LAW FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

9. 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. 42:1101-1124.

Yes No []

10. 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 []

PART IV. LAWS AFFECTING BUDGETING

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

A. Local Budget Act

1. We have adopted a budget for the general fund and all special revenue funds (R.S. 39:1305).

2. The chief executive officer, or equivalent, has prepared a proposed budget that included a budget message, a proposed budget for the general fund and each special revenue fund, and a budget adoption instrument that specified the chief executive's authority to make budgetary amendments without approval of the governing authority. Furthermore, the proposed expenditures did not exceed estimated funds to be available during the period (R.S. 39:1305).

3. The proposed budget was submitted to the governing authority and made available for public inspection at least 15 days prior to the beginning of the budget year (R.S. 39:1306).

4. To the extent that proposed expenditures were greater than \$500,000, we have made the budget available for public inspection and have advertised its availability in our official journal. The advertisement included the date, time, and place of the public hearing on the budget. Notice has also been published certifying that all actions required by the Local Government Budget Act have been completed (R.S. 39:1307).

5. If required, the proposed budget was made available for public inspection at the location required by R.S. 39:1308.

6. All action necessary to adopt and finalize the budget was completed prior to the date required by state law. The adopted budget contained the same information as that required for the proposed budget (R.S. 39:1309).

7. After adoption, a certified copy of the budget has been retained by the chief executive officer or

equivalent officer (R.S. 39:1309).

8. To the extent that proposed expenditures were greater than \$500,000, the chief executive officer or equivalent notified the governing authority in writing during the year when actual receipts plus projected revenue collections for the year failed to meet budgeted revenues by five percent or more, or when actual expenditures plus projected expenditures to year end exceeded budgeted expenditures by five percent or more (R.S. 39:1311).

9. The governing authority has amended its budget when notified, as provided by R.S. 39:1311. (Note, general and special revenue fund budgets should be amended, regardless of the amount of expenditures in the fund, when actual receipts plus projected revenue collections for the year fail to meet budgeted revenues by five percent or more; or when actual expenditures plus projected expenditures to year end exceed budgeted expenditures by five percent or more. State law exempts from the amendment requirements special revenue funds with anticipated expenditures of \$500,000 or less, and exempts special revenue funds whose revenues are expenditure-driven - primarily federal funds-from the requirement to amend revenues.)

Yes No []

B. State Budget Requirements

1. The state agency has complied with the budgetary requirements of R.S. 39:33.

Yes No []

C. Licensing Boards

1. The licensing board has complied with the budgetary requirements of R.S. 39:1331-1342.

Yes No []

PART V. ACCOUNTING, AUDITING, AND FINANCIAL REPORTING LAWS

12. We have maintained our accounting records in such a manner as to provide evidence of legal compliance and the preparation of annual financial statements to comply with R.S. 24:513 and 515, and/or 33:463.

Yes No []

13. 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 []

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

Yes No []

15. We have had our financial statements audited in a timely manner in accordance with R.S. 24:513.

Yes No []

16. 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

17. 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 []

18. We have remitted all fees, fines, and court costs collected on behalf of other entities, in compliance with applicable Louisiana Revised Statutes or other laws.

Yes No []

PART VI. MEETINGS

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

Yes No []

PART VII. ASSET MANAGEMENT LAWS

20. We have maintained records of our fixed assets and movable property records, as required by R.S. 24:515 and/or 39:321-332, as applicable.

Yes No []

PART VIII. FISCAL AGENCY AND CASH MANAGEMENT LAWS

21. We have complied with the fiscal agency and cash management requirements of R.S. 39:1211-45 and 49:301-327, as applicable.

Yes No []

PART IX. DEBT RESTRICTION LAWS

22. It is true we have not incurred any long-term indebtedness 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 []

23. We have complied with the debt limitation requirements of state law (R.S. 39:562).

Yes No []

24. We have complied with the reporting requirements relating to the Fiscal Review Committee of the State Bond Commission (R.S. 39:1410.62).

Yes No []

PART X. REVENUE AND EXPENDITURE RESTRICTION LAWS

25. We have restricted the collections and expenditures of revenues to those amounts authorized by Louisiana statutes, tax propositions, and budget ordinances.

Yes No []

26. 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 []

27. It is true that no property or things of value have been loaned, pledged, or granted to anyone in violation of Article VII, Section 14 of the 1974 Louisiana Constitution.

Yes No []

PART XI. ISSUERS OF MUNICIPAL SECURITIES

28. It is true that we have complied with the requirements of R.S. 39:1438.C.

Yes No []

PART XI. QUESTIONS FOR SPECIFIC GOVERNMENTAL UNITS

Parish Governments

29. We have adopted a system of road administration that provides as follows:

- A. Approval of the governing authority of all expenditures, R.S. 48:755(A).
- B. Development of a capital improvement program on a selective basis, R.S. 48:755.
- C. Centralized purchasing of equipment and supplies, R.S. 48:755.
- D. Centralized accounting, R.S. 48:755.
- E. A construction program based on engineering plans and inspections, R.S. 48:755.
- F. Selective maintenance program, R.S. 48:755.
- G. Annual certification of compliance to the auditor, R.S. 48:758.

N/A

Yes [] No []

School Boards

30. We have complied with the general statutory, constitutional, and regulatory provisions of the Louisiana Department of Education, R.S. 17:51-400.

Yes [] No [] N/A

31. We have complied with the regulatory circulars issued by the Louisiana Department of Education that govern the Minimum Foundation Program.

Yes [] No [] N/A

32. We have, to the best of our knowledge, accurately compiled the performance measurement data contained in the following schedules and recognize that your agreed-upon procedures will be applied to such schedules and performance measurement data:

Parish school boards are required to report, as part of their annual financial statements, measures of performance. These performance indicators are found in the supplemental schedules:

- Schedule 1, General Fund Instructional and Support Expenditures and Certain Local Revenue Sources
- Schedule 2, Class Size Characteristics

We have also, to the best of our knowledge, accurately compiled the performance measurement data contained in the following schedules, and recognize that although the schedules will not be included in the agreed-upon procedures report, the content of the schedules will be tested and reported upon by school board auditors in the school board performance measures agreed-upon procedures report:

- Education Levels of Public School Staff
- Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers
- Public School Staff Data: Average Salaries

We understand that the content of the first two schedules will be tested and reported upon together

Yes [] No [] N/A

Tax Collectors

33. We have complied with the general statutory requirements of R.S. 47.

Yes [] No [] N/A

Sheriffs

34. We have complied with the state supplemental pay regulations of R.S. 40:1667.7.

Yes [] No [] N/A

35. We have complied with R.S. 13:5535 relating to the feeding and keeping of prisoners.

Yes [] No [] N/A

District Attorneys

36. We have complied with the regulations of the DCFS that relate to the Title IV-D Program.

Yes [] No [] N/A

Assessors

37. We have complied with the regulatory requirements found in R.S. Title 47.

Yes [] No [] N/A

38. We have complied with the regulations of the Louisiana Tax Commission relating to the reassessment of property.

Yes [] No [] N/A

Clerks of Court

39. We have complied with R.S. 13:751-917 and applicable sections of R.S. 11:1501-1562.

Yes [] No [] N/A

Libraries

40. We have complied with the regulations of the Louisiana State Library.

Yes [] No [] N/A

Municipalities

41. Minutes are taken at all meetings of the governing authority (R.S. 42:20).

Yes [X] No []

42. Minutes, ordinances, resolutions, budgets, and other official proceedings of the municipalities are published in the official journal (R.S. 43:141-146 and A.G. 86-528).

Yes [X] No []

43. All official action taken by the municipality is conducted at public meetings (R.S. 42:11 to 42:28).

Yes [X] No []

Airports

44. We have submitted our applications for funding airport construction or development to the Department of Transportation and Development as required by R.S. 2:802.

Yes [] No [] N/A

45. We have adopted a system of administration that provides for approval by the department for any expenditures of funds appropriated from the Transportation Trust Fund, and no funds have been expended without department approval (R.S. 2:810).

Yes [] No [] N/A

46. All project funds have been expended on the project and for no other purpose (R.S. 2:810).

Yes [] No [] N/A

47. We have certified to the auditor, on an annual basis, that we have expended project funds in accordance with the standards established by law (R.S. 2:811).

Yes [] No [] N/A

Ports

48. We have submitted our applications for funding port construction or development to the Department of Transportation and Development as required by R.S. 34:3452.

Yes [] No [] N/A

49. We have adopted a system of administration that provides for approval by the department for any expenditures of funds made out of state and local matching funds, and no funds have been expended without department approval (R.S. 34:3460).

Yes [] No [] N/A

50. All project funds have been expended on the project and for no other purpose (R.S. 34:3460).

Yes [] No [] N/A

51. We have established a system of administration that provides for the development of a capital improvement program on a selective basis, centralized purchasing of equipment and supplies, centralized accounting, and the selective maintenance and construction of port facilities based upon engineering plans and inspections (R.S. 34:3460).

Yes [] No [] N/A

52. We have certified to the auditor, on an annual basis, that we have expended project funds in accordance with the standards established by law (R.S. 34:3461).

Yes [] No [] N/A

Sewerage Districts

53. We have complied with the statutory requirements of R.S. 33:3881-4159.10.

Yes [] No [] N/A

Waterworks Districts

54. We have complied with the statutory requirements of R.S. 33:3811-3837.

Yes [] No [] N/A

Utility Districts

55. We have complied with the statutory requirements of R.S. 33:4161-4546.21.

Yes [] No [] N/A

Drainage and Irrigation Districts

56. We have complied with the statutory requirements of R.S. 38:1601-1707 (Drainage Districts); R.S. 38:1751-1921 (Gravity Drainage Districts); R.S. 38:1991-2048 (Levee and Drainage Districts); or R.S. 38:2101-2123 (Irrigation Districts), as appropriate.

Yes [] No [] N/A

Fire Protection Districts

57. We have complied with the statutory requirements of R.S. 40:1491-1509.

Yes [] No [] N/A

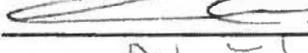
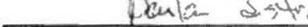
Other Special Districts

58. We have complied with those specific statutory requirements of state law applicable to our district.

Yes [] No [] N/A

The previous responses have been made to the best of our belief and knowledge. We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies 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 this report. We acknowledge our responsibility to disclose to you and the Legislative Auditor any known noncompliance that may occur subsequent to the issuance of your report.

	Andrea N. Woodward	Secretary	_____	Date
	Andrea N. Woodward	Treasurer	_____	Date
	Paula Salvo	Mayor President	_____	Date