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**VILLAGE OF GROSSE TETE, LOUISIANA**

**FINANCIAL REPORT**

**DECEMBER 31, 2020**

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**VILLAGE OF GROSSE TETE, LOUISIANA**

**FINANCIAL REPORT**

**DECEMBER 31, 2020**

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## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and  
Members of the Board of Aldermen  
Village of Grosse Tete, Louisiana

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Grosse Tete, Louisiana, as of and for the year ended, December 31, 2020, and the related notes to the financial statement, which collectively comprise the Village of Grosse Tete, Louisiana 's basic financial statements as listed in the table of contents.

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

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

### *Auditors' Responsibility*

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

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Village of Grosse Tete, Louisiana, as of December 31, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the budgetary comparison schedules, the Schedule of Proportionate Share of the Net Pension Liability, and the Schedule of Plan contributions on pages 3 through 8 and 39 through 42, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Grosse Tete, Louisiana's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Chief Executive Officer and Justice System Funding Schedule – Collecting/Disbursing Entity is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of Compensation, Benefits, and Other Payments to Chief Executive Officer and Justice System Funding Schedule – Collecting/Disbursing Entity are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits, and Other Payments to Chief Executive Officer and Justice System Funding Schedule – Collecting/Disbursing Entity are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2021 on our consideration of the Village of Grosse Tete, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village of Grosse Tete, Louisiana's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Grosse Tete, Louisiana's internal control over financial reporting and compliance.

*Deez, Dupree + Ruiz*

June 30, 2021  
Gonzales, Louisiana

## VILLAGE OF GROSSE TETE

### MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2020

This section of Village's annual financial report presents our discussion and analysis of the Village's financial performance during the fiscal year that ended on December 31, 2020. This MD&A should be read in conjunction with the Village's financial statements, which follow this section.

#### **FINANCIAL HIGHLIGHTS**

- The Village's combined total net position decreased by \$8,982 or 0.2 percent over the course of the year's operations. Net position of the governmental activities and business-type activities was \$5,203,921 and \$1,412,975, respectively.
- During the year, the Village's governmental activities expenses and transfers were \$13,559 more than the \$1,212,720 generated in charges for services, capital grants & contributions, taxes, and other revenue. In the Village's business-type activities, total revenues and transfers were \$264,996 and total expenses were \$260,419.
- The Village's general fund reported an increase in fund balance of \$50,761 during the fiscal year.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of four parts-management's discussion and analysis (this section), the basic financial statements, required supplementary information, and other supplemental information. The basic financial statements include two kinds of statements that present different views of the Village:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Village's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Village government, reporting the Village's operations in more detail than the government-wide statements.
  - The governmental funds statements tell how general government services like public safety were financed in the short term as well as what remains for future spending.
  - Proprietary fund statements offer short and long-term financial information about the activities the government operates like businesses, such as water.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

Figure A-1 summarizes the major features of the Village's financial statements, including the portion of the Village's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure of contents of each of the statements.

**VILLAGE OF GROSSE TETE**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2020**

**Figure A-1**  
**Major Features of Village's Government-Wide and Fund Financial Statements**

	<b>Government-wide Statements</b>	<b>Fund Statements</b>	
		<b>Governmental Funds</b>	<b>Proprietary Fund</b>
Scope	Entire Village Government	The activities of the Village that are not proprietary or fiduciary, such as police, fire, and parks	Activities the Village operates similar to private businesses: the water system
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenues, expenses, and changes in net position</li> <li>• Statement of cash flows</li> </ul>
Accounting basis and measurements focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payments are due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

## VILLAGE OF GROSSE TETE

### MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2020

#### **Government-wide Statements**

The government-wide statements report information about the Village as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Village's net position and how they have changed. Net position, the difference between the Village's assets and liabilities, is one way to measure the Village's financial health, or position.

- Over time, increases or decreases in the Village's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

The government-wide financial statements of the Village are divided into two categories:

- Governmental activities-most of the Village's basic services are included here, such as the police department, highways and streets, culture and recreation, and general administration. Fines and fees finance most of these activities.
- Business-type activities-The Village charges fees to customers to help it cover the costs of certain services it provides. The Village's water system is included here.

#### **Fund Financial Statements**

The fund financial statements provide more detailed information about the Village's most significant funds- not the Village as a whole. Funds are accounting devices that the Village uses to keep track of specific sources of funding and spending for particular purposes.

The Village has two kinds of funds:

- Governmental funds-Most of the Village's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- Proprietary fund-Services for which the Village charges customers a fee is generally reported in the proprietary fund. Proprietary funds, like the government-wide statements, provide both long-and short-term financial information.



## VILLAGE OF GROSSE TETE

### MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

#### FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

**Net position.** The Village's combined net position was \$6,616,896 at the end of the fiscal year. (See Table A-1.)

**Table A-1**

**Village's Net Position**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current and other assets	\$ 1,575,543	\$ 1,470,533	\$ (321,348)	\$ (395,059)
Capital assets, net	4,151,933	4,231,816	1,872,776	1,877,733
<b>Total assets</b>	<b>5,727,476</b>	<b>5,702,349</b>	<b>1,551,428</b>	<b>1,482,674</b>
Deferred outflows of resources	165,609	160,143	18,628	18,384
<b>Total assets and deferred outflows of resources</b>	<b>5,893,085</b>	<b>5,862,492</b>	<b>1,570,056</b>	<b>1,501,058</b>
Current liabilities	17,291	18,313	69,302	7,512
Long-term liabilities	660,973	612,826	84,337	80,518
<b>Total liabilities</b>	<b>678,264</b>	<b>631,139</b>	<b>153,639</b>	<b>88,030</b>
Deferred inflows of resources	10,900	13,873	3,442	4,630
<b>Total liabilities and deferred inflows of resources</b>	<b>689,164</b>	<b>645,012</b>	<b>157,081</b>	<b>92,660</b>
Net position				
Net investment in capital assets	4,151,933	4,231,816	1,872,776	1,877,733
Restricted	467,253	411,983	-	-
Unrestricted	584,735	573,681	(459,801)	(469,335)
<b>Total net position</b>	<b>\$ 5,203,921</b>	<b>\$ 5,217,480</b>	<b>\$ 1,412,975</b>	<b>\$ 1,408,398</b>

Net position of the Village's governmental activities decreased 0.3 percent to approximately \$5.2 million. Net position of the Village's business-type activities increased 0.3 percent to approximately \$1.41 million.

**Changes in net position.** The Village's total revenues and transfers for all programs decreased approximately 3.5 percent to approximately \$1.42 million (See Table A-2.) 69 percent of the Village's revenues are derived from sales and franchise tax revenues, intergovernmental and grant revenues represent 14 percent of revenues, and charges for services represent 13 percent of revenues.

The total cost of all programs and services decreased approximately 6.8 percent to approximately \$1.43 million. The Village's expenses cover all services performed by its office.

#### **Governmental Activities**

Revenues and transfers for the Village's governmental activities decreased by 9.5 percent and total expenses decreased by 7.4 percent.

#### **Business-type Activities**

Revenues and transfers for the Village's business-type activities increased by 36.2 percent and total expenses decreased by 4.4 percent.

**VILLAGE OF GROSSE TETE**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**DECEMBER 31, 2020**

**Table A-2  
Changes in Village's Net Position**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Revenues</b>				
Program revenues				
Fees, fines, and charges for services	\$ 59,680	\$ 96,067	\$ 122,557	\$ 131,595
Capital grants and contributions	22,253	27,747	81,151	-
General revenues				
Taxes	979,291	1,038,508	-	-
Licenses and permits	34,274	37,044	-	-
Miscellaneous	2,699	16,141	465	1,754
Intergovernmental	98,002	97,870	-	-
Interest	4,655	9,314	57	193
Pension benefit	11,866	10,656	1,066	991
Transfers (out) in	(59,700)	(60,000)	59,700	60,000
<b>Total revenues and transfers</b>	<b><u>1,153,020</u></b>	<b><u>1,273,347</u></b>	<b><u>264,996</u></b>	<b><u>194,533</u></b>
<b>Expenses</b>				
General government	344,653	392,543	-	-
Public safety	368,819	373,012	-	-
Highways and streets	398,148	425,283	-	-
Culture and recreation	54,959	68,486	-	-
Water and Sewer	-	-	260,419	272,366
<b>Total expenses</b>	<b><u>1,166,579</u></b>	<b><u>1,259,324</u></b>	<b><u>260,419</u></b>	<b><u>272,366</u></b>
<b>Increases (decrease) in net position</b>	<b><u>\$ (13,559)</u></b>	<b><u>\$ 14,023</u></b>	<b><u>\$ 4,577</u></b>	<b><u>\$ (77,833)</u></b>

**FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS**

As the Village completed the year, its governmental funds reported a combined fund balance of \$1,558,252. General Fund's fund balance increased by \$50,761. The primary reason for the general fund's increase in fund balance is due to the decrease in expenses.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

There were no amendments made to the Village's General Fund budget during 2020.

Budgeted revenues exceeded actual amounts by \$5,684. Budgeted expenditures exceeded actual amounts by \$207,245.

**VILLAGE OF GROSSE TETE**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2020**

**CAPITAL ASSETS**

At the end of 2020, the Village had invested approximately \$6,024,709 in a broad range of capital assets, including land, construction in progress, police equipment, vehicles, buildings, improvements, and water well and sewer systems. (See Table A-3)

**Table A-3**  
**Village's Capital Assets**  
(net of depreciation)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	<u>Total</u>
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$ 168,911	\$ 168,911	\$ 1,000	\$ 1,000	\$ 169,911	\$ 169,911
Construction in progress	-	4,838	81,151	-	81,151	4,838
Buildings	2,539,256	2,617,942	-	-	2,539,256	2,617,942
Other Improvements	755,141	807,889	-	-	755,141	807,889
Sewer System	-	-	1,614,071	1,670,174	1,614,071	1,670,174
Water System	-	-	175,838	205,652	175,838	205,652
Equipment and vehicles	688,625	632,236	716	907	689,341	633,143
<b>Total</b>	<b>\$ 4,151,933</b>	<b>\$ 4,231,816</b>	<b>\$ 1,872,776</b>	<b>\$ 1,877,733</b>	<b>\$ 6,024,709</b>	<b>\$ 6,109,549</b>

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Village is dependent on taxes for 80% of its revenues. Fines and video poker account for 13%. The economy is not expected to generate any significant growth. The Village's next year's revenues are budgeted consistent with the current year's final budgeted revenues. Budgeted expenditures are expected to increase attributed to the increase in capital outlay for 2021.

**CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Michael Chauffe, Mayor, P.O. Box 98, Grosse Tete, LA 70740-0089 or by calling (225)648-2131.

**VILLAGE OF GROSSE TETE**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2020**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 940,239	\$ 49,074	\$ 989,313
Accounts receivables, net	96	11,848	11,944
Grant receivables	56,079	81,151	137,230
Taxes receivable	70,096	-	70,096
Due from other governments	23,788	-	23,788
Internal balances	464,513	(464,513)	-
Prepaid expenses	20,732	1,092	21,824
Capital assets:			
Non-depreciable	168,911	82,151	251,062
Depreciable, net of accumulated depreciation	3,983,022	1,790,625	5,773,647
<b>Total assets</b>	<b>5,727,476</b>	<b>1,551,428</b>	<b>7,278,904</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related	165,609	18,628	184,237
<b>Total deferred outflows of resources</b>	<b>165,609</b>	<b>18,628</b>	<b>184,237</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 5,893,085</b>	<b>\$ 1,570,056</b>	<b>\$ 7,463,141</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 10,113	\$ 59,857	\$ 69,970
Accrued liabilities	7,178	6,474	13,652
Unearned revenue	-	2,971	2,971
Long-term liabilities:			
Net pension liability	660,973	84,337	745,310
<b>Total liabilities</b>	<b>678,264</b>	<b>153,639</b>	<b>831,903</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related	10,900	3,442	14,342
<b>Total deferred inflows of resources</b>	<b>10,900</b>	<b>3,442</b>	<b>14,342</b>
<b>NET POSITION</b>			
Net investment in capital assets	4,151,933	1,872,776	6,024,709
Restricted for fire protection	467,253	-	467,253
Unrestricted	584,735	(459,801)	124,934
<b>Total net position</b>	<b>5,203,921</b>	<b>1,412,975</b>	<b>6,616,896</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 5,893,085</b>	<b>\$ 1,570,056</b>	<b>\$ 7,463,141</b>

The accompanying notes are an integral part of this financial statement.

**VILLAGE OF GROSSE TETE**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Activities</b>							
<b>Governmental:</b>							
General government	\$ 344,653	\$ -	\$ -	\$ 22,253	\$ (322,400)	\$ -	\$ (322,400)
Public safety	368,819	57,840	-	-	(310,979)	-	(310,979)
Public works - highways and streets	398,148	1,840	-	-	(396,308)	-	(396,308)
Culture and recreation	54,959	-	-	-	(54,959)	-	(54,959)
Total governmental activities	<u>1,166,579</u>	<u>59,680</u>	<u>-</u>	<u>22,253</u>	<u>(1,084,646)</u>	<u>-</u>	<u>(1,084,646)</u>
<b>Business-type:</b>							
Utility	260,419	122,557	-	81,151	-	(56,711)	(56,711)
Total business-type activities	<u>260,419</u>	<u>122,557</u>	<u>-</u>	<u>81,151</u>	<u>-</u>	<u>(56,711)</u>	<u>(56,711)</u>
Total Primary Government	<u>\$ 1,426,998</u>	<u>\$ 182,237</u>	<u>\$ -</u>	<u>\$ 103,404</u>	<u>(1,084,646)</u>	<u>(56,711)</u>	<u>(1,141,357)</u>
<b>General Revenues:</b>							
Taxes					979,291	-	979,291
Licenses and permits					34,274	-	34,274
Intergovernmental					98,002	-	98,002
Interest					4,655	57	4,712
Miscellaneous					2,699	465	3,164
Contributions from non-employer contributing entities - pension benefit					11,866	1,066	12,932
Transfers					(59,700)	59,700	-
Total general revenues and transfers					<u>1,071,087</u>	<u>61,288</u>	<u>1,132,375</u>
Change in net position					(13,559)	4,577	(8,982)
Net position - beginning					<u>5,217,480</u>	<u>1,408,398</u>	<u>6,625,878</u>
Net position - ending					<u>\$ 5,203,921</u>	<u>\$ 1,412,975</u>	<u>\$ 6,616,896</u>

The accompanying notes are an integral part of this financial statement.

**VILLAGE OF GROSSE TETE**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2020**

	General Fund	Special Revenue Fire Protection Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 520,786	\$ 419,453	\$ 940,239
Accounts receivables, net	96	-	96
Grants receivable	56,079	-	56,079
Taxes receivable	57,759	12,337	70,096
Due from other funds	464,513	12,212	476,725
Due from other governments	10,135	13,653	23,788
Prepaid expenses	11,134	9,598	20,732
<b>Total assets</b>	<b>\$ 1,120,502</b>	<b>\$ 467,253</b>	<b>\$ 1,587,755</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 10,113	\$ -	\$ 10,113
Accrued liabilities	7,178	-	7,178
Due to other funds	12,212	-	12,212
<b>Total liabilities</b>	<b>29,503</b>	<b>-</b>	<b>29,503</b>
<b>FUND BALANCES</b>			
Nonspendable	11,134	9,598	20,732
Restricted for:			
Fire Protection	-	457,655	457,655
Unassigned	1,079,865	-	1,079,865
<b>Total fund balances</b>	<b>1,090,999</b>	<b>467,253</b>	<b>1,558,252</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,120,502</b>	<b>\$ 467,253</b>	<b>\$ 1,587,755</b>

The accompanying notes are an integral part of this financial statement.

**VILLAGE OF GROSSE TETE**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**DECEMBER 31, 2020**

Total fund balances - Governmental funds		\$ 1,558,252
Amounts reported for governmental activities in the statement of net position is different because:		
Deferred outflows-pension related		165,609
Capital assets used in governmental activities that are not financial resources and, therefore, are not reported in the governmental funds:		
Cost of capital assets at December 31, 2020	\$ 7,011,230	
Less: accumulated depreciation as of December 31, 2020	<u>(2,859,297)</u>	4,151,933
Long-term liabilities applicable to the Village's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities.		
Net pension liability		(660,973)
Deferred inflows-pension related		<u>(10,900)</u>
Total net position at December 31, 2020 - Governmental Activities		<u><u>\$ 5,203,921</u></u>

The accompanying notes are an integral part of this financial statement.

**VILLAGE OF GROSSE TETE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	General Fund	Special Revenue Fire Protection Fund	Total Governmental Funds
<b>REVENUES</b>			
Taxes	\$ 788,181	\$ 191,110	\$ 979,291
Licenses and permits	34,274	-	34,274
Intergovernmental revenue	120,255	-	120,255
Fines and forfeitures	59,680	-	59,680
Interest	2,740	1,915	4,655
Miscellaneous	5,476	971	6,447
Total revenues	<u>1,010,606</u>	<u>193,996</u>	<u>1,204,602</u>
<b>EXPENDITURES</b>			
Current:			
General government	321,096	-	321,096
Public safety	139,428	99,609	239,037
Public works - highways and streets	309,529	-	309,529
Culture & recreational	8,411	-	8,411
Capital Outlay:			
General government	76,734	-	76,734
Public safety	-	39,116	39,116
Public works - highways and streets	44,947	-	44,947
Total expenditures	<u>900,145</u>	<u>138,725</u>	<u>1,038,870</u>
Excess of revenues over expenditures	110,461	55,271	165,732
<b>OTHER FINANCING USES</b>			
Transfers out	(59,700)	-	(59,700)
Total other financing uses	<u>(59,700)</u>	<u>-</u>	<u>(59,700)</u>
<b>Net change in fund balances</b>	50,761	55,271	106,032
<b>Fund Balances, Beginning of Year</b>	1,040,238	411,982	1,452,220
<b>Fund Balances, End of Year</b>	<u>\$ 1,090,999</u>	<u>\$ 467,253</u>	<u>\$ 1,558,252</u>

The accompanying notes are an integral part of this financial statement.



**VILLAGE OF GROSSE TETE**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS TO CHANGES**  
**IN NET POSITION OF GOVERNMENTAL ACTIVITIES**  
**DECEMBER 31, 2020**

Net change in fund balances - Governmental Funds \$ 106,032

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

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

Capital Assets:

Capital outlay capitalized	\$ 160,797	
Depreciation expense for the year ended December 31, 2020	(236,932)	(76,135)

In the statement of activities, only the gain or loss on the sale of assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the difference in cost and accumulated depreciation of disposed assets. (3,748)

Certain revenues in the statement of activities that do not provide available current financial resources are not reported as revenues in the funds.

Contributions from non-employer contributing entities - pension benefit 11,866

Certain expenses in the statement of activities that do not provide available current financial resources are not reported as expenditures in the funds.

Net effect of change in net position liability and deferrals (51,574)

Change in net position of governmental activities \$ (13,559)

The accompanying notes are an integral part of this financial statement.

**VILLAGE OF GROSSE TETE**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**DECEMBER 31, 2020**

**ASSETS**

Current assets:		
Cash and cash equivalents	\$	49,074
Accounts receivables, net		11,848
Grant receivables		81,151
Prepaid expenses		1,092
Total current assets		<u>143,165</u>
Noncurrent assets		
Capital assets:		
Non-depreciable		82,151
Capital assets, net of accumulated depreciation		<u>1,790,625</u>
Total noncurrent assets		<u>1,872,776</u>
 Total assets		 <u>2,015,941</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Pension related		<u>18,628</u>
Total deferred outflows of resources		<u>18,628</u>
<b>Total assets and deferred outflows of resources</b>	<b>\$</b>	<b><u>2,034,569</u></b>

**LIABILITIES**

Current liabilities:		
Accounts payable and other liabilities	\$	59,857
Accrued liabilities		6,474
Unearned revenue		2,971
Due to other funds		<u>464,513</u>
Total current liabilities		<u>533,815</u>
Noncurrent liabilities:		
Net pension liability		<u>84,337</u>
Total noncurrent liabilities		<u>84,337</u>
 Total liabilities		 <u>618,152</u>

**DEFERRED INFLOWS OF RESOURCES**

Pension related		<u>3,442</u>
Total deferred inflows of resources		<u>3,442</u>

**NET POSITION**

Net investment in capital assets		1,872,776
Unrestricted		<u>(459,801)</u>
Total net position		<u>1,412,975</u>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$</b>	<b><u>2,034,569</u></b>

The accompanying notes are an integral part of this financial statement.

**VILLAGE OF GROSSE TETE**  
**STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN NET POSITION**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

<b>OPERATING REVENUES</b>	
Charges for service	\$ 122,057
Connection/reconnection fees	500
Miscellaneous	465
Contributions from non-employer contributing entities - pension benefit	1,066
Total operating revenues	124,088
 <b>OPERATING EXPENSES</b>	
Salaries & benefits	43,912
Depreciation	86,108
Insurance & bonds	5,479
Miscellaneous	589
Dues & subscriptions	2,584
Postage, printing and office supplies	3,773
Professional services	7,943
Repairs & maintenance	12,385
Sewer expenses	19,453
Tools & supplies	5,271
Water purchases - Water District # 4	72,922
Total operating expenses	260,419
 <b>OPERATING LOSS</b>	 (136,331)
 <b>NONOPERATING REVENUES</b>	
Interest income	57
Total non-operating revenues	57
Loss before capital grants and contributions and transfers	(136,274)
 <b>CAPITAL GRANTS AND CONTRIBUTIONS</b>	 81,151
 <b>TRANSFERS IN</b>	 59,700
<b>Change in net position</b>	4,577
 <b>Total net position - beginning</b>	 1,408,398
 <b>Total net position - ending</b>	 \$ 1,412,975

The accompanying notes are an integral part of this financial statement.

**VILLSGE OF GROSSE TETE**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from customers	\$ 128,808
Payments for goods and services	(76,731)
Payments for salaries and benefits	(36,374)
<b>Net cash used in operating activities</b>	<u>15,703</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest income	57
<b>Net cash provided by investing activities</b>	<u>57</u>

**CASH FLOWS FROM NONCAPITAL FINANCING**

Proceeds from loans due to other funds	1,561
Transfers from other funds	59,700
<b>Net cash provided by noncapital financing</b>	<u>61,261</u>

**CASH FLOWS FROM CAPITAL AND RELATED  
FINANCIAL ACTIVITIES**

Capital asset additions	(81,151)
<b>Net cash used in capital and related financing activities</b>	<u>(81,151)</u>

**Net increase in cash and cash equivalents** (4,130)

**Cash and cash equivalents - December 31, 2019** 53,204

**Cash and cash equivalents - December 31, 2020** \$ 49,074

**CASH FLOWS FROM OPERATING ACTIVITIES**

Operating loss	\$ (136,331)
Adjustments to reconcile operating loss to net cash used in operating activities-	
Depreciation	86,108
Provision for bad debt	3,365
Change in assets and liabilities	
Accounts receivable - customers	(1,616)
Prepaid expenses	-
Accounts payable	53,668
Accrued Liabilities	5,151
Unearned revenue	2,971
Net pension liability and related deferred inflows and outflows	2,387
<b>Net cash used in operating activities</b>	<u>\$ 15,703</u>

The accompanying notes are an integral part of this financial statement.

# VILLAGE OF GROSSE TETE

## NOTES TO THE FINANCIAL STATEMENTS

### INTRODUCTION

The Village of Grosse Tete, Louisiana, (the Village) was incorporated April 15, 1922, under the provision of the Lawrason Act. The Village operates under a Mayor-Aldermen form of government. The Village provides general government and public safety (police and fire protection) services, maintains streets, street lighting and highways, and provides water and sewer services to its approximately 647 residents. The Village has approximately 25 employees.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The accompanying basic financial statements of the Village of Grosse Tete, Louisiana, (the Village) have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Both the government-wide financial statements and the proprietary fund financial statements follow guidance included in GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

#### Reporting Entity

The Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards* established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the municipality is considered a primary government since it is a general purpose government that have a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Fiscally independent means that the municipality without the approval or consent of another governmental entity determine or modify its own budget, levy its taxes or set rates or charges, and issue bonded det. The municipality has oversight of other component units that are either blended into the municipality's basic financial statements or discretely presented in a separate column in the government-wide financial statements.

Related Organizations – The following organization was considered for inclusion in the reporting entity but did not meet all of the requirements. Therefore, this entity was considered to be a related organization not reported in the accompanying basic financial statements.

Rosedale-Grosse Tete Volunteer Fire Department – This potential component unit provides volunteer fire services within the Village. Although the Village provides facilities and equipment, it does not exercise direct control over their operations.

#### Basis of Presentation, Basis of Accounting

*Government-wide Statements:* The statement of net position and the statement of activities display information about the Village of Grosse Tete. These statements include the financial activities of the overall government, except for fiduciary activities. 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.

## VILLAGE OF GROSSE TETE

### NOTES TO THE FINANCIAL STATEMENTS

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Basis of Presentation, Basis of Accounting(continued)

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

*Fund Financial Statements:* The 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 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 values. Nonoperating revenues, such as investment earnings, result from nonexchange transactions or ancillary activities.

The Village reports the following major governmental funds:

- a. General Fund - The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. Special Revenue Fund – The Special Revenue Fund is used to account for the proceeds of specific revenue resources (other than assessments, expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

The Village reports the following proprietary fund:

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

## VILLAGE OF GROSSE TETE

### NOTES TO THE FINANCIAL STATEMENTS

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Measurement Focus, Basis of Accounting

*Government-wide and Proprietary Fund Financial Statements.* The government-wide and proprietary financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include sales taxes, grants, entitlements, and donations. 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 measurable and available. The Village considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Sales and franchise taxes, video poker revenues, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments which are recognized as expenditures 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.

Transfers between funds are not expected to be repaid and are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Budgets and Budgetary Accounting - The Village follows these procedures in establishing the budgetary data reflected in these financial statements:

- 1) The Village's Mayor and Village Aldermen prepare a proposed budget message and budget prior to the beginning of each fiscal year.
- 2) A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- 3) A special meeting is held to conduct a public hearing to review and discuss on the proposed budget.
- 4) After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
- 5) Budgetary amendments involving the transfer of funds from one department, program, or function to another, or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Village Aldermen.
- 6) All budgetary appropriations lapse at the end of each fiscal year.
- 7) The budget for the General Fund Special Revenue Fund is adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

# VILLAGE OF GROSSE TETE

## NOTES TO THE FINANCIAL STATEMENTS

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Interfund Activity - Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when on fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Non-operating Revenue and Expense - The Village's proprietary fund distinguishes between operating and non-operating revenues and expenses. Operating revenues and expenses of the Village's water and sewer fund consists of charges for services (including tap fees) and the costs of providing those services, including depreciation and excluding interest cost. All other revenues and expenses are reported as non-operating.

Statement of Cash Flows - For purposes of the statement of cash flows, the Utility Enterprise Fund considers all highly liquid investments (including restricted assets), with a maturity of three months or less when purchased to be cash equivalents.

Cash and Cash Equivalents - Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Earnings are recorded in the governmental and proprietary funds.

Accounts Receivables - Accounts receivables are recorded at cost, net of any allowance for doubtful accounts. The Village uses the allowance method to recognize any bad debts for utility receivables. The allowance is based on management's estimate of uncollectible receivables as of the end of each year.

Prepaid Items - Payments made to vendors for services that will benefit periods beyond December 31 are recorded as prepaid items.

Long-Term Liabilities – Long-term liabilities to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements.

Long-term liabilities for governmental funds are not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principle and interest are reported as expenditures in the fund statements.

The reporting of long-term liabilities in the proprietary statements is the same in the fund statements as it is in the government-wide statements.



**VILLAGE OF GROSSE TETE**

**NOTES TO THE FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Capital Assets - Capital assets, which include property, plant and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for the proprietary fund. Capital assets purchases or acquired are reported at historical cost or estimated historical costs. Donated assets are reported at fair market value as of the date donated. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	40 years
Building improvements	15-20 years
Water and sewer distribution system	20 years
Fire Trucks	15 years
Firefighting equipment	10 years
Machinery and equipment	5-10 years
Vehicles	5 years

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

Annual and Sick Leave - The Village's annual and sick leave policy does not provide for the accumulation and vesting of leave.

Pension Plans - The Village is a participating employer in a cost-sharing, multiple-employer defined benefit pension plan as described in Note 6. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plan, and additions to/deductions for the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within the plan.

**Fund Equity – Equity Classifications**

Government-wide and proprietary fund net position is displayed in three components:

- Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attainable to the acquisition, construction, or improvement of those assets.
- Restricted net position – Consists of net assets with constraints placed on the use of either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or law through constitutional provisions or enabling legislation.
- Unrestricted net position – All other net assets that do not meet the definition of “restricted” or “net investment in capital assets”.

**VILLAGE OF GROSSE TETE**

**NOTES TO THE FINANCIAL STATEMENTS**

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Fund Financial Statements - are reported in as many as five classifications as listed below:

- Nonspendable- represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.
- Restricted- represents balances where constraints have been established by parties outside the Village or imposed by law through constitutional provisions or enabling legislation.
- Committed- represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Village Alderman.
- Assigned- represents balances that are constrained by the government's intent to be used for specific purposes, but are not restricted or committed.
- Unassigned- represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

Use of Restricted Resources - When an expense is incurred that can be paid using either restricted or unrestricted resources net position, the Village's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the Village's policy is to first apply the expenditure toward restricted fund balance and then to other less-restrictive classification-committed and then assigned fund balances before using assigned fund balances.

Deferred Outflows/Inflows of Resources

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

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

2. **CASH AND CASH EQUIVALENTS**

At December 31, 2020, the Village's cash and cash equivalents (book balance) consisted of the following:

Cash in checking accounts	\$ 142,730
Funds held in LAMP	<u>846,583</u>
Total cash and cash equivalents	<u>\$ 989,313</u>

## VILLAGE OF GROSSE TETE

### NOTES TO THE FINANCIAL STATEMENTS

#### 2. CASH AND CASH EQUIVALENTS (continued)

##### Custodial Credit Risk- Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Village does not have a deposit policy for custodial credit risk. The Village's bank balances were not exposed to custodial credit risk at December 31, 2020.

Cash held at December 31, 2020 include \$846,583 invested in the Louisiana Asset Management Pool, Inc. (LAMP). The LAMP portfolio includes only securities and other obligations in which local governments are authorized to invest in accordance with LA-RS 33:2955.

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

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

LAMP is an investment pool that, to the extent practical, invest in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 88 days as of December 31, 2020.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

**VILLAGE OF GROSSE TETE**

**NOTES TO THE FINANCIAL STATEMENTS**

**3. ACCOUNTS RECEIVABLE**

In the government-wide statements, receivables consist of all revenues earned as year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include sales taxes and franchise taxes. Business-type activities report utility earnings as its major receivable.

The following is a summary of receivables for December 31, 2020, net of allowance for uncollectible accounts where applicable:

<u>Class of Receivables</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Proprietary Fund</u>	<u>Total</u>
Taxes				
Parish sales tax	\$ 49,024	\$ 12,337	\$ -	\$ 61,361
Franchise	8,735	-	-	8,735
Total taxes	<u>57,759</u>	<u>12,337</u>	<u>-</u>	<u>70,096</u>
Grants				
Capital Grants	56,079	-	81,151	137,230
Total grants	<u>56,079</u>	<u>-</u>	<u>81,151</u>	<u>137,230</u>
Due from other governments				
State video poker	8,820	-	-	8,820
Other	1,315	13,653	-	14,968
Total due from other governments	<u>10,135</u>	<u>13,653</u>	<u>-</u>	<u>23,788</u>
Other receivables, net	96	-	11,848	11,944
Total receivables	<u>\$ 124,069</u>	<u>\$ 25,990</u>	<u>\$ 92,999</u>	<u>\$ 243,058</u>

Uncollectible amounts due for customers' utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the collectability of the particular receivable. The following details the description and amount of the allowance for uncollectible accounts at December 31, 2020:

<u>Class of Receivables</u>	<u>Proprietary Fund</u>
Customer Accounts	\$ 8,386
	<u>\$ 8,386</u>

**VILLAGE OF GROSSE TETE**

**NOTES TO THE FINANCIAL STATEMENTS**

**4. CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended December 31, 2020, are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 168,911	\$ -	\$ -	\$ 168,911
Construction in progress	4,838	35,949	40,787	-
Total Capital Assets Not Being Depreciated:	<u>173,749</u>	<u>35,949</u>	<u>40,787</u>	<u>168,911</u>
Capital Assets Being Depreciated:				
Buildings and improvements	3,535,598	13,670	-	3,549,268
Office furniture and equipment	29,824	-	-	29,824
Machinery and equipment	244,414	20,942	31,026	234,824
Vehicles	76,520	-	-	76,520
Park	609,507	81,572	-	691,079
Waterlines and hydrants	54,920	-	-	54,920
Sidewalk and street improvements	1,104,036	10,334	-	1,114,370
Fire vehicles and equipment	1,058,891	39,117	6,000	1,092,008
Total Capital Assets Being Depreciated:	<u>6,713,710</u>	<u>165,635</u>	<u>37,026</u>	<u>6,842,319</u>
Totals	<u>6,887,459</u>	<u>201,584</u>	<u>77,813</u>	<u>7,011,230</u>
Less Accumulated Depreciation for:				
Buildings and improvements	917,656	92,356	-	1,010,012
Office furniture and equipment	23,726	1,475	-	25,201
Machinery and equipment	203,180	15,943	27,278	191,845
Vehicles	65,122	5,947	-	71,069
Park	75,378	46,548	-	121,926
Waterlines and hydrants	53,477	769	-	54,246
Sidewalk and street improvements	296,147	63,082	-	359,229
Fire vehicles and equipment	1,020,957	10,812	6,000	1,025,769
Total Accumulated Depreciation	<u>2,655,643</u>	<u>\$236,932</u>	<u>\$ 40,225</u>	<u>2,859,297</u>
Capital Assets Being Depreciated, net	<u>4,058,067</u>			<u>3,983,022</u>
Governmental Activities Capital Assets, net	<u>\$ 4,231,816</u>			<u>\$ 4,151,933</u>

For the year ended December 31, 2020, depreciation expense was \$236,932.

General Government	\$ 11,684
Public Safety – Police	8,121
Public Safety – Fire	96,612
Public Works – Highways and Streets	73,967
Culture and Recreation	46,548
	<u>\$ 236,932</u>

**VILLAGE OF GROSSE TETE**

**NOTES TO THE FINANCIAL STATEMENTS**

**4. CAPITAL ASSETS (continued)**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type Activities:</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 1,000	\$ -	\$ -	\$ 1,000
Construction in progress	-	81,151	-	81,151
Total Capital Assets Not Being Depreciated:	1,000	81,151	-	82,151
Capital Assets Being Depreciated:				
Water system	705,565	-	-	705,565
Sewer System	2,036,388	-	-	2,036,388
Machinery and equipment	4,770	-	-	4,770
Total Capital Assets Being Depreciated:	2,746,723	-	-	2,746,723
Totals	2,747,723	-	-	2,828,874
Less Accumulated Depreciation for:				
Water system	499,913	29,814	-	529,727
Sewer System	366,214	56,103	-	422,317
Machinery and equipment	3,863	191	-	4,054
Total Accumulated Depreciation	869,990	86,108	-	956,098
Capital Assets Being Depreciated, net	1,876,733			1,790,625
Business-type Activities Capital Assets, net	\$ 1,877,733			\$ 1,872,776

**5. INTERFUND RECEIVABLES/PAYABLE**

The following is a detailed list of interfund balances reported in the fund financial statements at December 31, 2020:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 464,513	\$ 12,212
Fire Protection Fund	12,212	-
Utility Fund	-	464,513
	\$ 476,725	\$ 476,725

Transfers from the general fund to the fire protection fund and utility fund are to provide supplemental funds for fund operations. These balances are not expected to be repaid within a year.

## VILLAGE OF GROSSE TETE

### NOTES TO THE FINANCIAL STATEMENTS

#### 6. PENSION AND RETIREMENT PLAN

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

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

MERS:  
7937 Office Park Boulevard  
Baton Rouge, Louisiana 70809  
(225) 925-4810  
[www.mersla.com](http://www.mersla.com)

MPERS:  
7722 Office Park  
Boulevard, Suite 200  
Baton Rouge, LA 70809  
[www.lampers.com](http://www.lampers.com)

#### **Plan Description:**

#### **Municipal Employees' Retirement System of Louisiana (MERS)**

The Municipal Employees' Retirement System of Louisiana (MERS) is the administrator of a cost sharing multiple-employer defined benefit pension plan. The System was originally established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana. The System provides retirement benefits to employees of all incorporated villages, towns and cities within the State which do not have their own retirement system and which elect to become members of the System. For the year ended June 30, 2018, there were 87 contributing municipalities in Plan A and 67 in Plan B. The Village of Grosse Tete is a participant in Plan A only.

The following is a description of the plan and its benefits and is provided for general information purposes only.

Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least thirty-five hours per week. Those individuals paid jointly by a participating employer and the parish are not eligible for membership in the System with exceptions as outlined in the statutes.

Any member of Plan A, who was hired before January 1, 2013 can retire providing the member meets one of the following criteria:

1. Any age with twenty-five (25) or more years of credible service.
2. Age 60 with a minimum of ten (10) years credible service.
3. Any age with five (5) years of credible service eligible for disability benefits.
4. Survivor's benefits require five (5) years credible service at death of member.
5. Any age with 20 years of credible service, exclusive of military service with an actuarially reduced early benefit.

**VILLAGE OF GROSSE TETE**

**NOTES TO THE FINANCIAL STATEMENTS**

**6. PENSION AND RETIREMENT PLAN (continued)**

**Municipal Employees' Retirement System of Louisiana (MERS) (continued)**

Eligibility for Retirement for Plan A and Plan B members hired on or after January 1, 2013 is as follows:

1. Age 67 with seven (7) or more years of credible service
2. Age 62 with ten (10) or more years of credible service
3. Age 55 with thirty (30) or more years of credible service
4. Any age with twenty five (25) years of credible service, exclusive of military service and unused side leave. However, any member retiring under this subsection shall have their benefit actuarially reduced from the earliest age of which the member would be entitled to a vested deferred benefit under any provision of this section, if the member had continued service to the age

Generally, the monthly amount of the retirement allowance for any member of Plan A shall consist of an amount equal to three percent of the member's monthly average final compensation multiplied by his years of credible service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

Upon death of any member of Plan A with five (5) or more years of credible service, not eligible for retirement, the plan provides for benefits for the surviving spouse and/or minor children as outlined in the statutes. Any member of Plan A, who is eligible for normal retirement at time of death and who leaves a surviving spouse will be deemed to have retired and selected Option 2 benefits on behalf of the surviving spouse on the date of death. Such benefits will begin only upon proper application and are paid in lieu of any other survivor benefits. Upon death for any member of Plan B with five (5) or more years of credible service, not eligible for normal retirement, the plan provides for benefits for the surviving spouse as outlined in the statutes. Any member of Plan B who is eligible for normal retirement at time of death and who leaves a surviving spouse on the date of death. Such benefits will begin only upon proper application and are paid in lieu of any other survivor benefits.

In lieu of terminating employment and accepting a service retirement allowance, any member of Plan A or B who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable by employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and received a service retirement allowance, are paid into the DROP Fund. Interest is earned when the member has completed DROP participation. Interest earnings are based upon the actual rate of return on the investments identified as DROP funds for the period. In addition, no cost-of-living increases are payable to participants until employment which make them eligible to become members of the System has been terminated for at least one full year. Upon termination of employment prior to or at the end of a specified period of participation, a participant in the Drop may receive, at his option, a lump sum from the account equal to the payment if approved by the board of trustees. If a participant dies during participation in the DROP, a lump sum equal to the balance in his account shall be paid to his named beneficiary, or if none, to his estate. If employment is not terminated at the end of the three years, payments into the DROP fund cease and the person resumes active contributing membership in the System.



**VILLAGE OF GROSSE TETE**

**NOTES TO THE FINANCIAL STATEMENTS**

**6. PENSION AND RETIREMENT PLAN (continued)**

**Municipal Employees' Retirement System of Louisiana (MERS) (continued)**

For Plan A, a member shall be eligible to retire and receive a disability benefit if he has at least five years of credible service, is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of forty-five percent of his final average compensation or three percent of his final average compensation multiplied by his years of credible service whichever is greater or an amount equal to three percent of the member's final average compensation multiplied by his years of credible service projected to his earliest normal retirement age.

**Municipal Police Employees' Retirement System (MPERS)**

The Municipal Police Employees' Retirement System (MPERS) is the administrator of a cost-sharing multiple-employer plan. Membership in the System is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, providing he or she does not have to pay social security and providing he or she meets the statutory criteria. The System provides retirement benefits for municipal police officers. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233.

The following is a brief description of the plan and its benefits and is provided for general information purposes only.

Membership prior to January 1, 2013: A member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 1.2 years creditable service and is age 55. A member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age with an actuarially reduced benefit. Benefit rates are three and one-third percent of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary. Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from forty to sixty percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives benefits equal to ten percent of the member's average final compensation or \$200.00 per month, whichever is greater.

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

## VILLAGE OF GROSSE TETE

### NOTES TO THE FINANCIAL STATEMENTS

#### 6. PENSION AND RETIREMENT PLAN (continued)

##### Municipal Police Employees' Retirement System of Louisiana (MPERS)

Under the Hazardous and Non-Hazardous Duty sub plans, the benefit rates are three percent and two and a half percent, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary. Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from twenty-five to fifty-five percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives ten percent of average final compensation or \$200 per month whichever is greater. If deceased member had less than ten years of service, beneficiary will receive a refund of employee contributions only.

**Cost of Living Adjustments:** The Board of Trustees is authorized to provide annual cost-of-living adjustments computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility. No regular retiree, survivor or beneficiary shall be eligible to receive a cost-of-living adjustment until benefits have been received at least one full fiscal year and the payment of such COLA, when authorized, shall not be effective until the lapse of at least one-half of the fiscal year. Members who elect early retirement are not eligible for a cost of living adjustment until they reach regular retirement age.

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

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

**VILLAGE OF GROSSE TETE**

**NOTES TO THE FINANCIAL STATEMENTS**

**6. PENSION AND RETIREMENT PLAN (continued)**

**Funding Policy**

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee (PRSAC).

Contributions to the plan are required and determined by State statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended June 30, 2019, for the Village and covered employees were as follows:

	<u>Village</u>	<u>Employees</u>
Municipal Employees' Retirement System Plan A		
All employees	27.75%	9.50%
Municipal Police Employees' Retirement System		
All employees hired prior to 01/01/2013 and all		
Hazardous Duty employees hired after 01/01/2013	32.50%	10.00%
Non-Hazardous Duty (hired after 01/01/2013)	32.50%	8.00%
Employees receiving compensation below poverty		
guidelines of US Department of Health	34.50%	7.50%

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Municipal Employees' Retirement System Plan A	\$ 77,934	\$ 69,330	\$ 60,529
Municipal Police Employees' Retirement System	\$ 15,900	\$ 15,863	\$ 14,359

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

The following schedule lists the Village's proportionate share of the Net Pension Liability allocated by the pension plan for based on the June 30, 2020 measurement date. The Village uses this measurement to record its Net Pension Liability and associated amount as of December 31, 2020, in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at June 30, 2020 along with the change compared to the June 30, 2019 rate.

**VILLAGE OF GROSSE TETE**

**NOTES TO THE FINANCIAL STATEMENTS**

**6. PENSION AND RETIREMENT PLAN (continued)**

The Village's proportion of the Net Pension Liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

	Net Pension Liability at June 30, 2020	Rate at June 30, 2020	Increase (Decrease) on June 30, 2019 Rate
Municipal Employees' Retirement System Plan A	\$ 589,808	0.1364%	0.0032%
Municipal Police Employees' Retirement System	155,502	0.0168%	0.0018%
	\$ 745,310		

The following schedule list each pension plan's recognized pension expense of the Village for the year ended December 31, 2020:

	Total
Municipal Employees' Retirement System Plan A	\$ 29,977
Municipal Police Employees' Retirement System	25,050
	\$ 55,027

At December 31, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 273	\$ 9,469
Changes in assumptions	13,617	3,838
Net difference between projected and actual earnings on pension plan investments	77,513	-
Changes in proportion and differences in employer contributions and proportionate share of contributions	46,144	1,035
Differences between allocated and actual contributions	-	-
Employer contributions subsequent to the measurement date	46,691	-
	\$ 184,238	\$ 14,342

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

	Deferred Outflows of Resources	Deferred Outflows of Resources
Municipal Employees' Retirement System Plan A	\$ 120,290	\$ 4,097
Municipal Police Employees' Retirement System	63,948	10,245
	\$ 184,238	\$ 14,342

**VILLAGE OF GROSSE TETE**

**NOTES TO THE FINANCIAL STATEMENTS**

**6. PENSION AND RETIREMENT PLAN (continued)**

The Village reported a total of \$46,691 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2020 which will be recognized as a reduction in Net Pension Liability in the year ended December 31, 2020. The following schedule list each pension contributions made subsequent to the measurement period for each plan:

	Subsequent Contributions
Municipal Employees' Retirement System Plan A	\$ 38,591
Municipal Police Employees' Retirement System	8,100
	\$ 46,691

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

Year	MERS	MPERS	Total
2021	\$ 33,139	\$ 18,655	\$ 51,794
2022	22,674	16,325	38,999
2023	13,244	7,101	20,346
2024	8,544	3,522	12,066
	\$ 77,602	\$ 45,603	\$ 123,205

**Actuarial Assumptions**

A summary of the actuarial methods and assumptions used in determining the total pension liability for each pension plan as of June 30, 2020, are as follows:

	MERS	MPERS
<b>Valuation Date</b>	June 30, 2020	June 30, 2020
<b>Actuarial Cost Method</b>	Entry Age Normal Cost	Entry Age Normal Cost
<b>Expected Remaining Service Lives</b>	3 years	4 years
<b>Investment Rate of Return</b>	6.950%	6.950% net of investment expenses
<b>Inflation Rate</b>	2.50%	2.50%
<b>Mortality</b>	Annuitant and beneficiary mortality - PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales. Employee mortality - PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales. Disabled lives mortality - PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale.	Mortality assumptions were set based upon an experience study performed by the prior actuary on plan data for the period July 1, 2014 through June 30, 2019 and review of similar law enforcement mortality. Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, with full generational MP2019 scale. Pub-2010 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, with full generational MP2019 scale. Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, with full generational MP2019 scale.

**VILLAGE OF GROSSE TETE**

**NOTES TO THE FINANCIAL STATEMENTS**

**6. PENSION AND RETIREMENT PLAN (continued)**

Salary Increases	MERS		MPERS	
	Years of Service	Salary Growth Rate	Years of Service	Salary Growth Rate
	1-4	6.4%	1-2	12.3%
	4 & over	4.5%	Above 2	4.70%

**Cost of Living Adjustments**

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

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

The actuarial assumptions used in the June 30, 2020 valuation was based on the results of an experience study, for the period July 1, 2013 through June 30, 2018 for MERS and July 1, 2014 through June 30, 2019 for MPERS.

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

**MERS**

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The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rates of return is 7.0% for the year ended June 30, 2020.

**MPERS**

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The forecasted long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by the target asset allocation percentage and by adding expected inflation of 2.55% and an adjustment for the effect of rebalancing/diversification. The resulting forecasted long-term rate of return is 7.19% for the year ended June 30, 2020.

**VILLAGE OF GROSSE TETE**

**NOTES TO THE FINANCIAL STATEMENTS**

**6. PENSION AND RETIREMENT PLAN (continued)**

The following table provides a summary of the best estimates of arithmetic/geometric real rates of return for the major asset class included in the Retirement System target asset allocations as of June 30, 2020:

Asset Class	Target Allocation		Long-Term Expected Real Rate of Return	
	MERS	MPERS	MERS	MPERS
Public equity	53.0%	-	2.33%	-
Equity	-	48.5%	-	3.08%
Public fixed income	38.0%	-	1.67%	-
Fixed income	-	33.5%	-	0.54%
Alternatives	9.0%	18.0%	0.40%	1.02%
Total	<u>100.0%</u>	<u>100.0%</u>	<u>4.40%</u>	<u>4.64%</u>
Inflation			<u>2.60%</u>	<u>2.55%</u>
Expected Arithmetic Nominal Return			<u>7.00%</u>	<u>7.19%</u>

***Discount Rate***

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for MERS and MPERS was 6.95% for the year ended June 30, 2020.

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

The following table presents the Village's proportionate share of the Net Pension Liability (NPL) using the discount rate for the Retirement System as well as what the Village's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by the Retirement System:

	1.0% Decrease	Current Discount Rate	1.0% Increase
MERS			
Rates	5.95%	6.95%	7.95%
Village of Grosse Tete Share of NPL	\$ 767,276	\$ 589,808	\$ 439,752
MPERS			
Rates	5.95%	6.95%	7.95%
Village of Grosse Tete Share of NPL	\$ 218,464	\$ 155,502	\$ 102,869

**VILLAGE OF GROSSE TETE**

**NOTES TO THE FINANCIAL STATEMENTS**

**6. PENSION AND RETIREMENT PLAN (continued)**

**Non-Employer Contributions**

MPERS – The System also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions were recognized as revenue during the year ended June 30, 2020, and excluded from pension expense.

MERS – According to state statute, the System also receives one-fourth (1/4) of 1% of ad valorem taxes collected within the respective parishes except for Orleans. Tax monies are apportioned between Plan A and Plan B in proportion to salaries of plan participants. The System also receives revenue sharing funds each year as appropriated by the Legislature. These additional sources of income are used as additional employer contributions and considered support from non-employer contributing entities.

**Amounts Payable to the Pension Plan**

As of December 31, 2030, the Village had \$7,434 payable to the MERS and \$0 payable to the MPERS.

**7. 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 is a member of two separate trust funds established by the Louisiana Municipal Association that encompasses self-insurance of (1) Municipal professional liability and comprehensive general liability, and (2) Statutory workers' compensation. The Village carries commercial insurance for all other risk of loss.

**8. DEFERRED COMPENSATION PLAN**

All full-time employees are eligible to participate in the Louisiana Public Employees Deferred Compensation Plan. Through payroll deductions, employees can make pre-tax contributions to this 457 plan from eligible pay. The amount allowed to contribute to the plan is based on taxable compensation as defined by the Internal Revenue Code (IRC). In 2020, the Village matched employee's contributions up to 8.0%, dollar for dollar. The total employer contributions made for December 31, 2020 was \$12,774.

**9. COMPENSATION OF VILLAGE OFFICIALS**

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended December 31, 2020 is as follows:

<b>Mayor-</b>	
Michael Chauffe	\$ 26,400
<b>Members of the Board</b>	
Jeanie David	8,400
Marcus Hill	8,400
Clint Senaca	8,400
	<u>\$ 51,600</u>



**VILLAGE OF GROSSE TETE**

**NOTES TO THE FINANCIAL STATEMENTS**

**10. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through the date the financial statements were available to be issued, June 30, 2021, and determined that there were no events that require disclosure.

No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**VILLAGE OF GROSSE TETE**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b><u>REVENUES</u></b>				
Taxes	\$ 731,200	\$ 731,200	\$ 788,181	\$ 56,981
Licenses and permits	42,340	42,340	34,274	(8,066)
Intergovernmental revenue	150,000	150,000	120,255	(29,745)
Fines and forfeitures	80,000	80,000	59,680	(20,320)
Interest	5,000	5,000	2,740	(2,260)
Miscellaneous	7,750	7,750	5,476	(2,274)
Total revenues	<u>1,016,290</u>	<u>1,016,290</u>	<u>1,010,606</u>	<u>(5,684)</u>
<b><u>EXPENDITURES</u></b>				
Current:				
General government	431,900	431,900	321,096	110,804
Public safety	181,300	181,300	139,428	41,872
Public works - highways and streets	339,190	339,190	309,529	29,661
Culture & recreational	15,000	15,000	8,411	6,589
Capital Outlay:				
General government	50,000	50,000	76,734	(26,734)
Public safety	20,000	20,000	-	20,000
Highways and streets	70,000	70,000	44,947	25,053
Total expenditures	<u>1,107,390</u>	<u>1,107,390</u>	<u>900,145</u>	<u>207,245</u>
Excess (deficiency) of revenues over expenditures	(91,100)	(91,100)	110,461	201,561
<b><u>OTHER FINANCING USES</u></b>				
Transfers out	(70,000)	(70,000)	(59,700)	10,300
Total other financing uses	<u>(70,000)</u>	<u>(70,000)</u>	<u>(59,700)</u>	<u>10,300</u>
<b>Net change in fund balance</b>	(161,100)	(161,100)	50,761	211,861
<b>Fund Balance, Beginning of Year</b>	<u>300,000</u>	<u>300,000</u>	<u>1,040,238</u>	<u>740,238</u>
<b>Fund Balance, End of Year</b>	<u>\$ 138,900</u>	<u>\$ 138,900</u>	<u>\$ 1,090,999</u>	<u>\$ 952,099</u>

**VILLAGE OF GROSSE TETE**  
**BUDGETARY COMPARISON SCHEDULE**  
**FIRE PROTECTION FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b><u>REVENUES</u></b>				
Taxes	\$ 160,000	\$ 160,000	\$ 191,110	\$ 31,110
Interest	1,000	1,000	1,915	915
Miscellaneous	5,000	5,000	971	(4,029)
Total revenues	<u>166,000</u>	<u>166,000</u>	<u>193,996</u>	<u>27,996</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Public Safety - Fire	123,925	123,925	99,609	24,316
Capital Outlay	42,075	42,075	39,116	2,959
Total expenditures	<u>166,000</u>	<u>166,000</u>	<u>138,725</u>	<u>27,275</u>
Excess of revenues over expenditures	-	-	55,271	55,271
<b>Fund Balance, Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>411,982</u>	<u>411,982</u>
<b>Fund Balance, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 467,253</u>	<u>\$ 467,253</u>

**VILLAGE OF GROSSE TETE**  
**SCHEDULE OF PROPORTIONATE SHARE**  
**OF THE NET PENSION LIABILITY**

**LAST TEN FISCAL YEARS (1)**

As of the fiscal year ended (2):	2020		2019		2018		2017		2016		2015	
	MERS (Plan A)	MPERS	MERS (Plan A)	MPERS	MERS (Plan A)	MPERS	MERS (Plan A)	MPERS	MERS (Plan A)	MPERS	MERS (Plan A)	MPERS
Employer's Proportion of the Net Pension Liability (Assets)	0.1364%	0.0168%	0.1332%	0.0151%	0.1293%	0.0110%	0.1214%	0.0076%	0.1054%	0.0081%	0.0780%	0.0082%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 589,808	\$ 155,502	\$ 556,656	\$ 136,688	\$ 535,390	\$ 92,817	\$ 507,905	\$ 66,674	\$ 432,070	\$ 76,285	\$ 278,535	\$ 64,144
Employer's Covered-Employee Payroll	\$ 280,870	\$ 48,000	\$ 246,789	\$ 48,000	\$ 237,101	\$ 32,400	\$ 221,424	\$ 22,800	\$ 188,307	\$ 22,800	\$ 132,817	\$ 21,900
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	209.9932%	323.9625%	225.5595%	284.7667%	225.8067%	286.4722%	229.3812%	292.4298%	229.4498%	334.5833%	209.7134%	292.8950%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	64.5220%	70.9450%	64.6752%	71.0078%	63.9406%	71.8871%	62.4940%	66.0422%	62.1103%	66.0422%	66.1800%	70.7300%

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

(2) The amounts presented for MERS & MPERS have a measurement date of June 30th fiscal year end.

The two Retirement Systems reported in this schedule are as follows:

MERS (Plan A) - Municipal Employee's Retirement System

MPERS - Municipal Police Employee's Retirement System

**VILLAGE OF GROSSE TETE**

**SCHEDULE OF PLAN CONTRIBUTIONS**

**LAST TEN FISCAL YEARS (1)**

	2020		2019		2018		2017		2016		2015	
	MERS (Plan A)	MPERS	MERS (Plan A)	MPERS	MERS (Plan A)	MPERS	MERS (Plan A)	MPERS	MERS (Plan A)	MPERS	MERS (Plan A)	MPERS
Contractually required contribution	\$ 76,695	\$ 15,600	\$ 71,938	\$ 15,701	\$ 60,866	\$ 14,359	\$ 50,161	\$ 7,239	\$ 37,191	\$ 6,726	\$ 25,940	\$ 7,088
Contributions in relation to contractually required contributions	77,934	15,900	69,330	15,378	60,529	14,359	54,635	7,125	37,191	6,726	26,009	6,899
Contribution deficiency (excess)	(1,239)	(300)	2,608	323	337	-	(4,474)	114	-	-	(69)	189
Employer's Covered Employee Payroll	\$ 267,698	\$ 48,000	\$ 266,815	\$ 47,500	\$ 239,888	\$ 45,500	\$ 233,067	\$ 22,800	\$ 188,307	\$ 22,800	\$ 131,340	\$ 22,500
Contributions as a % of Covered Employee Payroll	29.11%	33.13%	25.98%	32.37%	25.23%	31.56%	23.44%	31.25%	19.75%	29.50%	19.75%	31.50%

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

The two Retirement Systems reported in this schedule are as follows:

MERS (Plan A) - Municipal Employee's Retirement System

MPERS - Municipal Police Employee's Retirement System

**VILLAGE OF GROSSE TETE**  
**SCHEDULE OF COMPENSATION, BENEFITS,**  
**AND OTHER PAYMENTS TO CHIEF EXECUTIVE OFFICER**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**CHIEF EXECUTIVE OFFICER:** Michael Chauffe, Mayor

<b><u>Purpose</u></b>	<b><u>Amount</u></b>
Salary	\$ 26,400
Benefits - retirement	7,326
Benefits - deferred compensation	2,112
Cellphone provided by Village	1,140
Membership dues	20
Conference registration fees	100
Travel and meals	<u>1,229</u>
Total	<u><u>\$ 38,327</u></u>

**VILLAGE OF GROSSE TETE**  
**JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY**  
**AS REQUIRED BY ACT 87 OF THE 2020 REGULAR SESSION**  
**CASH BASIS PRESENTATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>First Six Month Period Ended June 30, 2020</u>	<u>Second Six Month Period Ended December 31, 2020</u>
<b>Beginning Balance of Amounts Collected (i.e. cash on hand)</b>	<u>\$ 4,794</u>	<u>\$ 1,178</u>
<b>Add: Collections</b>		
Criminal Court Costs/Fees	5,114	7,162
Criminal Fines - Other	19,295	26,269
<b>Subtotal Collections</b>	<u>24,409</u>	<u>33,431</u>
<b>Less: Disbursements To Governments &amp; Nonprofits:</b>		
Louisiana Commission on Law Enforcement - Criminal Court Costs/Fees	462	408
Louisiana Supreme Court - Criminal Court Costs/Fees	128	101
Treasurer, State of Louisiana CMIS - Criminal Court Costs/Fees	231	201
Louisiana Department of Health and Hospitals TH/SCI T.F. - Criminal Court Costs/Fees	970	965
<b>Less: Amounts Retained by Collecting Agency</b>		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	9	9
Self-Disbursed Village of Grosse Tete, Criminal Fines - Other	19,295	26,269
Self-Disbursed Village of Grosse Tete, Criminal Court Cost/Fees	6,930	6,030
<b>Subtotal Disbursements/Retainage</b>	<u>28,025</u>	<u>33,983</u>
<b>Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)</b>	<u>\$ 1,178</u>	<u>\$ 626</u>



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

To the Honorable Mayor and  
Members of the Board of Aldermen  
Village of Grosse Tete, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Grosse Tete, Louisiana, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Village of Grosse Tete, Louisiana's basic financial statements and have issued our report dated June 30, 2021.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2020-001 that we consider to be a significant deficiency.



## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village of Napoleonville, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2020-002.

## **Village of Grosse Tete, Louisiana's Response to Findings**

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

## **Purpose of this Report**

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

*Deez, Dupuy & Ruiz*

Gonzales, Louisiana  
June 30, 2021

**VILLAGE OF GROSSE TETE**

**SCHEDULE OF FINDINGS AND RESPONSES**  
**YEAR ENDED DECEMBER 31, 2020**

**A. SUMMARY OF AUDITORS' RESULTS**

1. The independent auditors' report expresses an unmodified opinion on whether the financial statements of the Village of Grosse Tete were prepared in accordance with GAAP.
2. One significant deficiency disclosed during the audit of the financial statements is reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. No material weaknesses are reported.
3. One instance of noncompliance material to the financial statements of Village of Grosse Tete, which would be required to be reported in accordance with *Government Auditing Standards*, was disclosed during the audit.

**B. FINDINGS – FINANCIAL STATEMENT AUDIT**

**SIGNIFICANT DEFICIENCY**

**2020-001 Segregation of Duties**

Criteria: Effective internal controls are key to mitigating risk of fraud in billing and collection functions.

Condition: There is a lack of segregation of duties within the Village's accounting department. The following was observed:

- Individuals who process bills are not independent of the collection function.
- An individual who prepares deposits also maintains cash receipts ledger and posts entries to the general ledger.

Effect: A lack of segregation of duties does not provide effective internal controls over collections to mitigate potential fraud.

Cause: There is a lack of an appropriate number of accounting staff to properly segregate duties within the accounting department.

Recommendation: The Village has an independent CPA firm to assist its accounting department. We found that duties are divided between the CPA firm and the Village personnel so that internal controls are enhanced. However, it is still noted that the Village's size may make it unfeasible to adequately staff an accounting department with sufficient segregation of duties over all functions.

Management's response: Management concurs with this finding and will evaluate procedures to pursue proper segregation of duties.

**VILLAGE OF GROSSE TETE**

**SCHEDULE OF FINDINGS AND RESPONSES**  
**YEAR ENDED DECEMBER 31, 2020**

**C. FINDINGS – NON-COMPLIANCE WITH STATE LAWS AND REGULATIONS**

**2020-002 Public Bid Law**

Criteria: For purchases of materials and supplies with a value of \$10,000 or more but less than \$30,000, local government entities must obtain no fewer than 3 quotes by telephone, facsimile, email, or any other printable electronic form.

Condition: The Village purchased firefighting equipment during the year and did not obtain/solicit quotes to comply with public bid law requirements.

Effect: The Village appears to be non-compliant with public bid law.

Cause: The Village did not obtain/solicit quotes to comply with public bid law requirements.

Recommendation: The Village should obtain required documentation prior to approving and executing payments for all purchases to ensure compliance with public bid law.

Management's response: Management understands the context of this reportable item as well as the laws and regulations effective to comply with the Louisiana Public Bid Law and will ensure that compliance with the Public Bid Law if followed in future periods.

**VILLAGE OF GROSSE TETE**

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**  
**YEAR ENDED DECEMBER 31, 2020**

**A. FINDINGS – FINANCIAL STATEMENT AUDIT**

**2019-001 Segregation of Duties**

*Condition:* There is a lack of segregation of duties within the Village's accounting department. The following was observed:

- Individuals who process bills are not independent of the collection function.
- An individual who prepares deposits also maintains cash receipts ledger and posts entries to the general ledger.

*Current Years Status:* Similar finding reported in current year.

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

None