

**VILLAGE OF GRAND CANE, LOUISIANA**

**FINANCIAL STATEMENTS**

**For the Year Ended June 30, 2017**

# VILLAGE OF GRAND CANE, LOUISIANA

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As of and for the Year Ended June 30, 2017

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## VILLAGE OF GRAND CANE, LOUISIANA

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# Dees Gardner, Certified Public Accountants, LLC

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122 Jefferson Street

Maura Dees Gardner, CPA, CFE

Mansfield, LA 71052

## Independent Accountant's Review Report

318-872-3007

The Honorable Marsha Richardson, Mayor  
And the Members of the Board of Aldermen  
Grand Cane, Louisiana

We have reviewed the accompanying financial statements of the governmental activities, the business-type activity, and the major fund of the Village of Grand Cane, Louisiana, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents. A review includes primarily applying procedures to management's financial data and making inquiries of the management of the Village of Grand Cane, Louisiana. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### Management's Responsibility for the Financial Statements

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

### Accountant's Responsibility

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

### Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements of the Village of Grand Cane, Louisiana, for the year ended June 30, 2017, in order for them to be in conformity with accounting principles generally accepted in the United States of America.

### Required and Other Supplemental Information

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. The management's discussion and analysis and budgetary comparison information are presented for purposes of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context.

The schedule of compensation, benefits, and other payments to the agency head or chief executive officer is required by Louisiana state statute.

The supplementary information included in the budgetary comparison and schedule of compensation, benefits, and other payments has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we are not aware of any material modifications that should be made thereto. The information included in the management discussion and analysis has not been subjected to the inquiry and an analytical procedure applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the management's discussion and analysis.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report, dated December 30, 2017, on the results of our agreed-upon procedures. Also presented as required is the Louisiana Attestation Questionnaire.

*Dees Gardner, Certified Public Accountants, LLC*

Mansfield, Louisiana  
December 30, 2017

REQUIRED SUPPLEMENTAL INFORMATION (PART I)

VILLAGE OF GRAND CANE, LOUISIANA  
**Management's Discussion and Analysis**

June 30, 2017

As management of the Village of Grand Cane, Louisiana, we offer the readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village of Grand Cane as of and for the year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with the Village's basic financial statements and supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

**Financial Highlights**

The Village experienced a decrease in its total net position of 0.79% (\$12,618) during the fiscal year ended June 30, 2017, compared to a decrease of \$57,500 (3.49%) the prior year. At June 30, 2017, the assets of the Village exceeded its liabilities by \$1,576,914 compared to prior year's ending net position of \$1,589,532.

Unrestricted net position of \$668,362 (42.38% of total net position) represents the amount available to be used to meet the Village's ongoing obligations to its citizens.

As of the close of the fiscal year, the Village's governmental funds reported an decrease in ending fund balance of \$16,775 (2.37%) to \$691,153 from the \$707,928 fund balance for the prior year.

**Overview of the Financial Statements**

This Management Discussion and Analysis document introduces the Village of Grand Cane's basic financial statements. The Village's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements include two kinds of financial statements that present different views of the Village—the **Government-wide Financial Statements** and the **Fund Financial Statements**. These financial statements also include the **Notes to the Financial Statements** that explain the information in the financial statements and provide additional detail. This report also contains additional required supplementary information, a budgetary schedule, and other supplemental information, in addition to the basic financial statements. These components are described below:

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the Village of Grand Cane's finances in a manner similar to a private-sector business. The government-wide financial statements include two statements:

The *statement of net position* presents information on all of the Village of Grand Cane's assets and liabilities, with the difference between the two reported as *net position*. Overtime, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village of Grand Cane is improving or deteriorating.

The *statement of activities* presents information showing how the Village of Grand Cane's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the

underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the financial statements above have separate sections for the two different types of Village activities. These activities are:

*Governmental Activities*--The activities in this section are mostly supported by taxes and intergovernmental revenues (grants). The services that fall into that category for the Village are general government, streets and right-of-ways, and cultural and recreation.

*Business-type Activities*--These functions are normally intended to recover all or a significant portion of their costs through user fees and charges to external users of goods and services. The business-type activity of the Village consists of the provision of sewer services.

The government-wide financial statements can be found immediately following this discussion and analysis.

***Fund financial statements.*** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village of Grand Cane, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The fund financial statements focus on individual parts of the Village government, reporting operations in more detail than the government-wide statements. The funds of the Village are divided into two categories. The two categories of funds are:

*Governmental fund financial statements.* These funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Village of Grand Cane has two governmental funds: the General Fund and the Special Revenue Fund. Both are considered major funds for presentation purposes. That is, each major fund is presented in a separate column in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances.

The governmental funds financial statements can be found immediately following the government-wide financial statements.

*Proprietary fund financial statements.* These funds are used to show activities that operate more like those of commercial enterprises. Because these funds charge fees for services provided to outside customers, they are known as proprietary funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Like the government-wide financial statements, proprietary fund financial statements use the accrual basis of accounting. There is no reconciliation needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements.

The Village has one proprietary fund, the Sewer Fund, which is considered a major proprietary fund for presentation purposes.

The basic proprietary fund financial statements can be found immediately following the governmental funds financial statements.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the funds financial statements.

**Required Supplemental Information (Part II).** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplemental information*. The Village of Grand Cane adopts an annual budget for the general and special revenue funds on the cash basis. A budgetary comparison statement is provided for the general fund and the special revenue fund to demonstrate budgetary compliance.

**Other Supplemental Information.** The schedule of compensation, benefits, and other payments to agency head or chief executive officer is presented to fulfil the requirements of Louisiana Revised Statute 24:513(A)(3).

**Other Reports Required by Louisiana Governmental Audit Guide.** Accompanying these financial statements is an Independent Accountant's Report on Agreed-upon Procedures and a Louisiana Attestation Questionnaire signed by management. These are required by Louisiana Revised Statutes 24:513 and 24:514 (state audit law).

## **Government-wide Activities Financial Analysis**

### ***Net Position***

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Village's combined net position (governmental and business-type activities) totaled \$1,576,914 and \$1,589,532 as of June 30, 2017, and 2016, respectively, a decrease of \$12,618 (0.79%).

A portion of the Village's net position \$897,302 (56.9%) is its investment in capital assets (e.g. land, buildings, improvements, infrastructure, and equipment); less any related debt used to acquire those assets that is still outstanding. This is compared to \$801,350 (50.41%) as of June 30, 2016. The Village

uses these capital assets to provide services to the citizens of the Village; consequently, these assets are not available for future spending.

The Village's unrestricted net position, \$668,362 (42.38%) and \$788,182 (49.59%) as of June 30, 2017 and 2016, respectively, may be used to meet the Village's ongoing obligations to citizens and creditors at the discretion of the mayor and aldermen. \$685,676 (102.59%) of the unrestricted net position of the Village consists of cash, demand deposits, and certificates of deposit compared to \$792,478 (100.55%) for the prior year.

The following table provides a summary of the Village's net position:

<b>ASSETS</b>	<b>June 30, 2017</b>	<b>June 30, 2016</b>
Cash and cash equivalents	\$ 685,676	\$ 783,378
Receivables	16,080	15,473
Restricted cash and cash equivalents	-	9,100
Other assets	1,519	1,173
Capital assets	897,302	801,350
<b>TOTAL ASSETS</b>	<b>1,600,577</b>	<b>1,610,474</b>
<b>LIABILITIES</b>		
Accounts payable	12,413	11,842
Payable from restricted assets	11,250	9,100
<b>TOTAL LIABILITIES</b>	<b>23,663</b>	<b>20,942</b>
<b>NET POSITION</b>		
Net investment in capital assets	897,302	801,350
Restricted for utility deposits	11,250	-
Unrestricted	668,362	788,182
<b>TOTAL NET POSITION</b>	<b>\$ 1,576,914</b>	<b>\$ 1,589,532</b>

### *Changes in net position*

The Village's net position decreased by \$12,618 (0.79%) during the year ended June 30, 2017, compared to a decrease of \$57,500 (3.49%) in 2016. Total program revenues increased a total of \$47,025. General revenues increased by \$4,664 due to an increase in licenses.

\$38,823 (16.84%) of the Village's total revenues were derived through charges for services during 2017 compared to \$38,613 (21.59%) for the prior year. Capital grants of \$46,815 (20.31%) were received during 2017 compared to none during 2016.

\$144,884 (62.85%) of total revenue was derived from general revenues including ad valorem taxes, sales taxes, franchise taxes, occupational license, rent, and interest compared to \$140,220 (78.41%) during 2016.

The net effect is an increase in revenue of \$51,689 or 28.9%.

Total expenses increased \$6,807 or 2.88%. The largest expenses were: sewer operations, \$85,851 (35.31%); general government, \$64,071 (26.35%); and streets and right-of-ways, \$66,140 (27.20%).

The following table provides a summary of the Village's changes in net position:

	<u>For year end June 30, 2017</u>	<u>For year end June 30, 2016</u>
<b>Revenue</b>		
Program revenues :		
Charges for services	\$ 38,823	\$ 38,613
Capital grants and contributions	46,815	-
General revenues :		
Taxes	108,378	109,146
Licenses	32,911	26,798
Other general revenues	2,903	3,487
Interest	692	789
Total revenues	<u>230,522</u>	<u>178,833</u>
<b>Expenses</b>		
General government	64,071	64,304
Street and right of ways	66,140	62,409
Culture and recreation	27,078	27,074
Sewer	85,851	82,546
Total expenses	<u>243,140</u>	<u>236,333</u>
Increase (decrease) in net position	(12,618)	(57,500)
Net position June 30, 2016	<u>1,589,532</u>	<u>1,647,032</u>
Net position June 30, 2017	<u>\$ 1,576,914</u>	<u>\$ 1,589,532</u>

### Governmental Funds Financial Analysis

As noted earlier, the Village of Grand Cane uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2017, the General Fund's unassigned fund balance (\$199,491) increased \$77,095 (62.99%) in comparison with June 30, 2016. Sales tax is collected in the Village for upkeep and maintenance of streets. Sales tax revenue increased \$1,124 from 2016; and, the amount committed to streets decreased from \$487,511 at year ended June 30, 2016, to \$475,406 at year ended June 30, 2017.

### General Fund Budgetary Highlights

Formal budgetary integration is employed as a management control device during the fiscal year. The budget policy of the Village complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA – R.S. 39:1301 et seq.). The Village did amend original budget twice during the year. The Village was in compliance with the Budget Act. Expenses were less than what was budgeted. Actual revenues were more than the budgeted amounts.

## **Capital Asset and Debt Administration**

*Capital assets* The Village of Grand Cane's investment in capital assets for its governmental activities as of June 30, 2017, totaled \$897,302 (net of accumulated depreciation of \$870,248). This investment includes land, buildings, furniture, equipment and infrastructure. The increase in capital assets for the year was \$164,700. This was improvements to the buildings in the historical district, a new tractor for public works, and lift station improvements in the Sewer fund.

*Long-term debt* The Village of Grand Cane has no outstanding debt at June 30, 2017.

## **Economic Factors and Next Year's Budget**

For the fiscal year ending June 30, 2018, the following factors were considered when the budget was prepared:

- General revenues and sewer fees collected will remain consistent with the prior year.
- The Village does not expect to receive significant grant monies.
- Other expenditures are expected to remain steady with the prior year.

## **Requests for Information**

This financial report is designed to provide a general overview of the Village of Grand Cane's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Village of Grand Cane, P. O. Box 82, Grand Cane, LA 71032.

## BASIC FINANCIAL STATEMENTS

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

## VILLAGE OF GRAND CANE, LOUISIANA

## STATEMENT OF NET POSITION

June 30, 2017

<b>ASSETS</b>	Governmental Activities	Business-Type Activities	Total
Cash and cash equivalents	\$ 681,553	\$ 4,123	\$ 685,676
Receivables	12,409	3,671	16,080
Internal balances	6,349	(6,349)	-
Prepaid expenses	1,519	-	1,519
Capital assets (net)	700,109	197,193	897,302
<b>TOTAL ASSETS</b>	<b>1,401,939</b>	<b>198,638</b>	<b>1,600,577</b>
 <b>LIABILITIES</b>			
Accounts, payroll, and other payables	10,677	1,736	12,413
Payable from restricted assets	-	11,250	11,250
<b>TOTAL LIABILITIES</b>	<b>10,677</b>	<b>12,986</b>	<b>23,663</b>
 <b>NET POSITION</b>			
Net investment in capital assets	700,109	197,193	897,302
Restricted for sewer deposits	-	11,250	11,250
Unrestricted	691,153	(22,791)	668,362
<b>TOTAL NET POSITION</b>	<b>\$ 1,391,262</b>	<b>\$ 185,652</b>	<b>\$ 1,576,914</b>

See the accompanying notes and independent accountant's review report.



## FUND FINANCIAL STATEMENTS

**VILLAGE OF GRAND CANE, LOUISIANA**  
**BALANCE SHEET, GOVERNMENTAL FUNDS**  
June 30, 2017

<b>ASSETS</b>	Major Funds		
	General Fund	Special Revenue Fund	Total
Cash and cash equivalents	\$ 670,810	\$ 10,743	\$ 681,553
Receivables	10,760	1,649	12,409
Due from other funds	6,349	2,345	8,694
Prepaid expenses	1,519	-	1,519
<b>TOTAL ASSETS</b>	<b>\$ 689,438</b>	<b>\$ 14,737</b>	<b>\$ 704,175</b>
 <b>LIABILITIES AND FUND BALANCE</b>			
Liabilities:			
Accounts, payroll, and other payables	\$ 10,677	\$ -	\$ 10,677
Due to other funds	2,345	-	2,345
Total Liabilities	13,022	-	13,022
Fund Balances:			
Nonspendable			
Prepaid expenses	1,519	-	1,519
Committed			
Streets	475,406	-	475,406
Assigned			
Sewer or streets	-	14,737	14,737
Unassigned, reported in:			
General fund	199,491	-	199,491
Total Fund Balance	676,416	14,737	691,153
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 689,438</b>	<b>\$ 14,737</b>	<b>\$ 704,175</b>

See the accompanying notes and independent accountant's review report.

**VILLAGE OF GRAND CANE, LOUISIANA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION**

June 30, 2017

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund Balance, Total Governmental Funds, Statement C	\$ 691,153
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the government funds	<u>700,109</u>
Net Position of Governmental Activities, Statement A	<u>\$ 1,391,262</u>

See the accompanying notes and independent accountant's review report.

**VILLAGE OF GRAND CANE, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**

For the year ended June 30, 2017

	Major Funds		Total
	General Fund	Special Revenue Fund	
<b>Revenues:</b>			
Taxes			
Ad valorem taxes	\$ 7,392	\$ 12,876	\$ 20,268
Sales taxes	69,229	-	69,229
Franchise taxes	12,602	-	12,602
Grants and contributions			
State Grant	44,500		44,500
Licenses and permits	32,911	-	32,911
Charges for services	9,994	-	9,994
Oil and gas royalties	2,133	-	2,133
Interest	656	36	692
Other	3,048	7	3,055
	<u>182,465</u>	<u>12,919</u>	<u>195,384</u>
<b>Expenditures:</b>			
Current			
General government	60,597	-	60,597
Public works			
Streets and right of ways	56,334	30	56,364
Culture and recreation	5,040	-	5,040
Capital outlays	150,158	-	150,158
	<u>272,129</u>	<u>30</u>	<u>272,159</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(89,664)</u>	<u>12,889</u>	<u>(76,775)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers in (out)	<u>155,000</u>	<u>(95,000)</u>	<u>60,000</u>
Net change in Fund Balances	65,336	(82,111)	(16,775)
Fund balances, beginning of year	611,080	96,848	707,928
Fund balances, end of year	<u>\$ 676,416</u>	<u>\$ 14,737</u>	<u>\$ 691,153</u>

See the accompanying notes and independent accountant's review report.

**VILLAGE OF GRAND CANE, LOUISIANA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
For the year ended June 30, 2017

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total Governmental Funds, Statement E	\$ (16,775)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$150,158) exceeded the depreciation (\$35,288) in the current period.	<u>114,870</u>
Change in Net Position of Governmental Activities, Statement B	<u><u>\$ 98,095</u></u>

See the accompanying notes and independent accountant's review report.

PROPRIETARY FUND

**VILLAGE OF GRAND CANE, LOUISIANA**  
**STATEMENT OF NET POSITION, PROPRIETARY FUND**  
June 30, 2017

		Business-Type Activity - Sewer
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$	4,123
Receivables		3,671
Total current assets		7,794
Non-current assets:		
Capital assets, net of accumulated depreciation		197,193
Total non-current assets		197,193
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>204,987</b>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts, payroll, and other payables	\$	1,736
Due to other funds		6,349
Total current liabilities		8,085
Payable from restricted assets:		
Meter deposits		11,250
<b>TOTAL LIABILITIES</b>	<b>\$</b>	<b>19,335</b>
<b>NET POSITION</b>		
Net investment in capital assets	\$	197,193
Restricted for meter deposits		11,250
Unrestricted		(22,791)
<b>TOTAL NET POSITION</b>	<b>\$</b>	<b>185,652</b>

See the accompanying notes and independent accountant's review report.

**VILLAGE OF GRAND CANE, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUND**

For the year ended June 30, 2017

	Sewer Fund
<b>Operating Revenues</b>	
Charges for services	
Sewer service fees	\$ 28,829
	28,829
Total Operating Revenues	28,829
<b>Operating Expenses</b>	
Cost of sales and services	49,093
Administration	3,298
Operating transfer to general fund	155,000
Depreciation	33,460
	240,851
Total Operating Expenses	240,851
<b>Operating Loss</b>	(212,022)
<b>Nonoperating Revenues (Expenses)</b>	
Ad valorem taxes	6,279
Miscellaneous income	30
Transfer from Special Revenue Fund	95,000
	101,309
Total Nonoperating Revenues (Expenses)	101,309
Income (Loss) Before Transfers	(110,713)
<b>Change in Net Position</b>	(110,713)
Total Net Position, beginning of year	296,365
Total Net Position, end of year	\$ 185,652

See the accompanying notes and independent accountant's review report.

## VILLAGE OF GRAND CANE, LOUISIANA

STATEMENT OF CASH FLOWS  
PROPRIETARY FUND TYPE - Sewer Fund

For the Year Ended June 30, 2017

	<u>2017</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers	\$ 32,795
Cash payments to suppliers for goods and services	(26,125)
Cash payment to general fund	(155,000)
Cash payments to employees for services	(26,468)
Net cash provided by operating activities	<u>(174,798)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Ad valorem taxes collected	6,279
Transfer in from special revenue fund	95,000
Increase in due to	5,090
Other income	30
Net cash provided by non capital financing activities	<u>106,399</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of property and equipment	(14,542)
Net cash provided by investing activities	<u>(14,542)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(82,941)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	87,064
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 4,123</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating income	\$ (212,022)
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	33,460
(Increase) decrease in accounts receivable	1,816
Increase (decrease) in accounts payable	(202)
Increase (decrease) in customer deposits	2,150
Total adjustments	<u>37,224</u>
Net cash (used)/provided by operating activities	<u>\$ (174,798)</u>

See the accompanying notes and independent accountant's review report.

## NOTES TO THE FINANCIAL STATEMENTS

# VILLAGE OF GRAND CANE, LOUISIANA

## NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2017

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### INTRODUCTION

The Village of Grand Cane, Louisiana, was incorporated under the provisions of the Lawrason Act in 1939. The Village is governed by the mayor – board of aldermen form of government. The mayor and three aldermen are elected and serve four-year terms that expire on December 31, 2018. The Village has one sewer/street employee and a part time clerk. The Village has a population of 244 (2012 Census) and is located in northwest Louisiana in DeSoto Parish.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Reporting Entity

The Village is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. This report includes all funds that are controlled by or dependent on the Village's executive and legislative branches (The mayor and board of aldermen). The primary government (Village of Grand Cane) is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. There were no entities that were determined to be component units of the Village of Grand Cane.

#### B. Basis of Presentation

The Village of Grand Cane's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. GAAP as applicable to governments also conforms to the requirements of Louisiana R.S. 24:517 and the guides set forth in the *Louisiana Municipal Audit and Accounting Guide* and to the industry guide, *Audits of State and Local Government Units*, published by the American Institute of Certified Public Accountants.

#### C. Fund Accounting

The Village uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Village functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

*Government funds* are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. The emphasis of fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Village, or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds, or management believes that the fund is particularly important to the financial statement users. The municipality reports the following governmental funds:

- The *General Fund* is the municipality's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The General Fund is always reported as a major governmental fund in governmental fund statements.
- The *Special Revenue Fund* accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

# VILLAGE OF GRAND CANE, LOUISIANA

## NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2017

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

#### C. Fund Accounting (continued)

*Proprietary funds* are used to account for ongoing activities that are similar to those often found in the private sector. The measurement focus is based upon determination of net income, financial position, and cash flows. Proprietary funds account for operations (a) that are financed and operated in a manner similar to private business—where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis is to be financed or recovered primarily through user charges; or (b) where the governing body has decided that 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.

- The *Sewer Fund* is the Village's business-type fund, which accounts for all assets, liabilities, revenues and expenses related to the operations of the sewer system.

#### D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

#### Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Village. Individual funds are not displayed. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as is the proprietary fund. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

#### Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to the government-wide view of the Village's operations.

# VILLAGE OF GRAND CANE, LOUISIANA

## NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2017

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

#### D. Measurement Focus and Basis of Accounting (continued)

The amounts reflected in the governmental fund financial statements use the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under modified accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government. Salaries and related benefits are recorded when employee services are provided to the Village.

#### Proprietary Fund Financial Statements

The financial statements of the proprietary fund are reported using the "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. The amounts reflected in the proprietary fund financial statements use the accrual basis of accounting. All assets and liabilities (whether current or non-current) associated with their activities are reported.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the proprietary fund is sewer operating fees. Operating expenses for the proprietary fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exception to this general rule is charges affecting the government's proprietary operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

#### E. Cash and Cash Equivalents and Investments

Cash and cash equivalents include cash on hand, amounts in demand deposits, interest bearing demand deposits and certificates of deposit. Under state law the Village may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The Village may invest in United States bonds, treasury notes and bills, government-backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. These are classified as investments if their original maturities exceed 182 days. All investments are recorded at fair value based on quoted market prices.

# VILLAGE OF GRAND CANE, LOUISIANA

## NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2017

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

#### F. Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. The receivables for the governmental activities include ad valorem taxes and sales tax. Business-type activities report customer's sewer service charges as its major receivable. Allowances are reported when accounts are proven to be uncollectible. At June 30, 2017, all accounts were deemed collectible.

#### G. Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond June 30, 2017 are recorded as prepaid expenses.

#### H. Levied Taxes

Property taxes are levied on a calendar year basis and become due on January 1 of each year. The following is a summary of authorized and levied ad valorem taxes:

Taxes due for:	Authorized Millage	Levied Millage	Expiration Date
General	6.00	5.60	Indefinite
Sewer system	5.00	4.63	2026
Sewer/ Streets	5.00	4.76	2017
Sewer/ Streets	5.40	5.13	2017

The difference between authorized and levied millages is the result of reassessments of taxable property within the parish as required by Louisiana Constitution Article VII, Section 18(F). This revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2016. Total assessed value was \$1,324,698 for fiscal year ended June 30, 2017. The millages set to expire in 2017 were renewed by the taxpayers on December 10, 2016.

The Village bills and collects its own property taxes, using the assessed values determined by the tax assessor of DeSoto Parish. Revenues from ad valorem taxes are budgeted in the year billed.

A one percent sales and use tax was levied in the Village beginning January, 1997 and has no expiration. The tax is to be used for constructing, improving and maintaining public roads, streets and bridges in the Village.

#### I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost. There are no assets valued at estimated cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The municipality maintains a threshold level of \$1,000 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Description	Estimated lives
Roads, bridges, and infrastructure	15-20 years
Buildings and building improvements	40 years
Furniture and fixtures	7 years
Equipment	7 years

# VILLAGE OF GRAND CANE, LOUISIANA

## NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2017

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

#### J. Fund Equity

##### NET POSITION

In the government-wide financial statements, fund equity (the difference between assets and liabilities) is classified as net position and reported 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 attributable to the acquisition, construction, or improvement of those assets.
- *Restricted net position*—consists of net position with constraints placed on the use by a) external groups, such as creditors, grantors, or laws or regulations of other government; or b) law through constitutional provisions or enabling legislation.
- *Unrestricted net position*—consists of all other assets that do not meet the definition of “restricted” or “net investment in capital assets”.

The Village of Grand Cane’s policy is to consider restricted net position to have been depleted before unrestricted net position is applied. At June 30, 2017, restricted net position in the business type activity (sewer fund) consist of cash required for sewer customer meter deposits.

##### FUND BALANCES

As required by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, this statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- *Nonspendable* – Amounts that are not in spendable form (such as prepaid expenses) because they are legally or contractually required to be maintained intact.
- *Restricted* – Amounts constrained to specific purposes by their providers (such as grantors of higher levels of government).
- *Committed* – Amounts which are subject to limitations or constraints to specific purposes the Village imposes upon itself as its highest level of decision making, the board of aldermen. These amounts cannot be used for any other purpose unless the Village takes the same highest level of action to remove or change the constraint.
- *Assigned* – Amounts for which the Village has stated intended use as established by the Village council or the mayor.
- *Unassigned* – All amounts not included in one of the other categories.

The Village would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

#### K. Interfund Transactions and Balances

Quasi-external transactions, if any, are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

# VILLAGE OF GRAND CANE, LOUISIANA

## NOTES TO THE FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2017

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

#### K. Interfund Transactions and Balances (continued)

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and service type transactions are classified as "due to and due from other funds." These receivables and payables are classified as internal balances on the statement of net position and as due from/to other funds in the fund financial statements.

#### L. Estimates

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

#### M. 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; and injuries to employees. To handle such risk of loss the Village maintains commercial insurance policies and surety bond coverage. There have been no claims filed in the last three years.

### 2. CASH AND CASH EQUIVALENTS

At June 30, 2017, the Village has cash and cash equivalents (book balances) in deposits totaling \$685,676 with \$156,628 in demand deposits, \$404,352 in interest-bearing demand deposits, \$124,596 in a certificate of deposit, and \$100 in cash. These deposits are stated at cost, which approximates market.

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

*Custodial Credit Risk:* Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities with 10 days of being notified by the Village that the fiscal agent bank has failed to pay deposited funds upon demand. Further Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Village's name.

At June 30, 2017, the Village has collected bank balances of deposits totaling \$697,706. These deposits are fully secured from risk by \$250,000 of federal deposit insurance and by pledged securities held by the custodial bank in the name of the Village (GASB Category 2) with a market value of \$642,564.

*Interest Rate Risk:* This is the risk that changes in market interest rates will adversely affect the fair value of an investment. The Village does not have a formal investment policy, however, as a means of offsetting exposure to interest rate risk the Village's certificates of deposit have maturities of one year or less which limits exposure to fair value losses arising from rising interest rates.

*Credit Risk:* Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of an investment. The Village's investments comply with Louisiana Statutes (LSA R.S. 33:2955).

**VILLAGE OF GRAND CANE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**

As of and for the Year Ended June 30, 2017

**3. LEVIED TAXES**

Total ad valorem taxes levied were \$26,547 and ad valorem taxes receivable at June 30, 2017, are \$2,801. The following are the principal taxpayers for the Village and their 2015 assessed valuation:

TAXPAYER	ASSESSED VALUATION	% OF TOTAL ASSESSED VALUATION	AD VALOREM TAX REVENUE FOR VILLAGE
Cleco Power LLC	\$ 271,690	20.51%	\$ 5,445
Capital One	147,020	11.10%	2,947
Miller Precision Machine	35,261	2.66%	706
Franklin Properties	34,000	2.57%	682
Cook, Wm. H.	27,731	2.09%	555
Atmos Energy Louisiana	27,351	2.06%	547
Total	<u>\$ 543,053</u>	<u>40.99%</u>	<u>\$ 10,882</u>

Sales tax collections for the year ended June 30, 2017 were \$26,919.

**4. RECEIVABLES**

The following is a summary of receivables at June 30, 2017:

	General	Special Revenue	Sewer
Sales and use tax	\$ 10,241	\$ -	\$ -
Ad valorem tax	519	1,649	633
Sewer fees	-	-	3,038
	<u>\$ 10,760</u>	<u>\$ 1,649</u>	<u>\$ 3,671</u>

Substantially all receivables are considered to be fully collectible, and no allowance for uncollectibles is used.

**5. CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended June 30, 2017, for the primary government is as follows:

Governmental Activities:	Balance June 30, 2016	Increases	Reclassifications/ Decreases	Balance June 30, 2017
Capital assets, being depreciated				
Buildings & improvements	\$ 681,994	\$ 125,158	\$ -	\$ 807,152
Equipment				-
Streets, & Right of Ways	72,252	25,000	-	97,252
General	9,592	-	-	9,592
Streets	172,645	-	-	172,645
Total capital assets, being depreciated	<u>\$ 936,483</u>	<u>\$ 150,158</u>	<u>\$ -</u>	<u>\$ 1,086,641</u>
Less accumulated depreciation for				
Buildings & improvements	\$ 151,951	\$ 22,392	\$ -	\$ 174,343
Equipment				
Streets & Right of Ways	57,147	952	-	58,099
General	12,663	3,312	-	15,975
Streets	129,483	8,632	-	138,115
Total accumulated depreciation	<u>351,244</u>	<u>35,288</u>	<u>-</u>	<u>386,532</u>
Total Capital assets being depreciated net	<u>\$ 585,239</u>	<u>\$ 114,870</u>	<u>\$ -</u>	<u>\$ 700,109</u>

**VILLAGE OF GRAND CANE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**

As of and for the Year Ended June 30, 2017

**5. CAPITAL ASSETS (continued)**

Business type Activity:	Balance		Reclassifications/ Decreases	Balance June 30, 2017
	June 30, 2016	Increases		
Capital assets being depreciated				
Sewer System	\$ 502,063	\$ -	\$ -	\$ 502,063
Equipment	10,682	-	-	10,682
Sewer betterments	153,622	14,542	-	168,164
Total capital assets being depreciated	<u>\$ 666,367</u>	<u>\$ 14,542</u>	<u>\$ -</u>	<u>\$ 680,909</u>
Less accumulated depreciation for				
Sewer System	402,153	25,103	-	427,256
Equipment	10,681	-	-	10,681
Sewer betterments	37,422	8,357	-	45,779
Total accumulated depreciation	<u>450,256</u>	<u>33,460</u>	<u>-</u>	<u>483,716</u>
Total Capital assets being depreciated net	<u>\$ 216,111</u>	<u>\$ (18,918)</u>	<u>\$ -</u>	<u>\$ 197,193</u>

Depreciation expense of \$35,288 for the year ended June 30, 2017, was charged to the following governmental functions:

General government	\$ 3,473
Public works: Streets and right of ways	9,777
Cultural and recreation	22,038
	<u>\$ 35,288</u>

**6. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The composite of interfund receivable/payable as of June 30, 2017 was:

	General	Special Revenue	Sewer	Total
Due to	\$ 1,259	\$ 2,216	\$ -	\$ 3,475
Due from	(2,216)	-	(1,259)	(3,475)
	<u>\$ (957)</u>	<u>\$ 2,216</u>	<u>\$ (1,259)</u>	<u>\$ -</u>

**7. ACCOUNTS, SALARIES, AND OTHER PAYABLES**

The following is a summary of payables at June 30, 2017:

	General	Special Revenue	Sewer
Trade payables	\$ 8,587	\$ -	\$ 1,736
Accrued payroll taxes	1,652	-	-
Rent deposits	438	-	-
Total	<u>\$ 10,677</u>	<u>\$ -</u>	<u>\$ 1,736</u>

**VILLAGE OF GRAND CANE, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS**

As of and for the Year Ended June 30, 2017

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**8. COMMITTED FUND BALANCE**

As of June 30, 2017, the net fund balance committed for streets was as follows:

Beginning reserve June 30, 2016	\$	487,511
Sales tax revenue		69,229
Less street expenses		(56,334)
Capital outlay streets		(25,000)
Net reserve for streets, June 30, 2017	\$	<u>475,406</u>

**9. PENSION PLAN**

All employees of the Village are members of the Social Security System. In addition to the employee contributions withheld at 7.65 percent of gross salary, the Village contributes an equal amount to the Social Security System. The Village does not guarantee the benefits granted by the Social Security System.

**10. LEASE AGREEMENT**

The Village also rented downtown historical buildings for an average of approximately \$690 a month during the year ended June 30, 2017.

**11. RELATED PARTY TRANSACTIONS**

Procedures, observations, and inquiries did not disclose any material related party transactions for the fiscal year ended June 30, 2017.

**12. SUBSEQUENT EVENT**

Management has performed an evaluation of the Village of Grand Cane's activities through December 30, 2017, and has concluded that there were no significant events requiring recognition or disclosure through the date and time these financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION (PART II)

## VILLAGE OF GRAND CANE, LOUISIANA

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND

For the year ended June 30, 2017

	Budgeted Amounts		Actual Amounts		Variance with Final Budget Positive(Negative)	
	Original	Final	Actual	Adjustments to Budgetary Basis		Actual Amounts (Budgetary Basis)
<b>Revenues:</b>						
Taxes						
Ad valorem taxes	\$ 7,615	\$ 7,400	\$ 7,392	102	\$ 7,494	\$ 94
Sales taxes	50,000	50,000	69,229	(2,706)	66,523	16,523
Franchise taxes	12,500	12,500	12,602	-	12,602	102
State Grant	-	-	44,500	-	44,500	44,500
Licenses and permits	20,500	20,000	32,911	-	32,911	12,911
Charges for services	6,950	6,800	9,994	-	9,994	3,194
Oil and gas royalties	1,800	1,800	2,133	-	2,133	333
Interest	525	525	656	-	656	131
Other	-	-	3,048	-	3,048	3,048
Transfers in	-	155,000	155,000	-	155,000	-
Total Revenues	<u>99,890</u>	<u>254,025</u>	<u>337,465</u>	<u>(2,604)</u>	<u>334,861</u>	<u>80,836</u>
<b>Expenditures:</b>						
Current						
General government	63,600	71,080	60,597	(5,982)	54,615	16,465
Public works						
Streets and right of ways	51,200	37,450	56,334	(97)	56,237	(18,787)
Culture and recreation	8,700	32,000	5,040	(557)	4,483	27,517
Capital outlays	-	25,000	150,158	-	150,158	(125,158)
Transfers Out	-	199,500	-	(220)	(220)	199,720
Total Expenditures	<u>123,500</u>	<u>365,030</u>	<u>272,129</u>	<u>(6,856)</u>	<u>265,273</u>	<u>99,757</u>
Excess (Deficiency) of Revenues over Expenditures/ Net change in Fund Balances	<u>(23,610)</u>	<u>(111,005)</u>	<u>65,336</u>	<u>4,252</u>	<u>69,588</u>	<u>\$ 180,593</u>
Fund balance, beginning of year	<u>611,080</u>	<u>611,080</u>	<u>611,080</u>		<u>611,080</u>	
Fund balance, end of year	<u>\$ 587,470</u>	<u>\$ 500,075</u>	<u>\$ 676,416</u>	<u>4,252</u>	<u>680,668</u>	

## VILLAGE OF GRAND CANE, LOUISIANA

**BUDGETARY COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND**

For the year ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Taxes:				
Ad valorem taxes	\$ 13,277	\$ 12,500	\$ 12,876	\$ 376
Other income	-	-	7	7
Interest income	-	-	36	36
Total Revenues	<u>13,277</u>	<u>12,500</u>	<u>12,919</u>	<u>419</u>
Expenditures:				
Streets and right of ways	-	-	30	30
Total Expenditures	<u>-</u>	<u>-</u>	<u>30</u>	<u>30</u>
Excess (Deficiency) of Revenues over Expenditures	<u>13,277</u>	<u>12,500</u>	<u>12,889</u>	<u>389</u>
Other Financing Uses:				
Operating transfers out	-	(95,000)	(95,000)	-
Net Change in Fund Balances	13,277	(82,500)	(82,111)	<u>389</u>
Fund balance, beginning of year	96,848	96,848	96,848	-
Fund balance, end of year	<u>\$ 110,125</u>	<u>\$ 14,348</u>	<u>\$ 14,737</u>	<u>\$ 389</u>

See the accompanying notes and independent accountant's review report.

## VILLAGE OF GRAND CANE, LOUISIANA

### NOTES TO BUDGETARY COMPARISON SCHEDULES

As of and for the Year Ended June 30, 2017

#### **Budgetary Information**

The Village of Grand Cane, Louisiana's budget is prepared in accordance with accounting principles generally accepted in the United States of America on a cash basis.

The Mayor and Village Clerk prepare a proposed budget and submit the same to the Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year. The proposed budget is reviewed by the board of aldermen and made available to the public. At least ten days after publication of the call for a public hearing, the Village holds a public hearing on the proposed budget in order to receive comments from citizens. Changes are made to the proposed budget based on the public hearing and the desires of the Board of Aldermen as whole. The budget is then adopted through the passage of an ordinance during the June meeting.

During the year, the Board of Aldermen receives monthly budget comparison statements, which are used as tools to control the operations of the Village. The Village Clerk presents necessary budget amendments to the board when she determines that actual operations are differing materially from those anticipated in the original budget. The board in regular session reviews the proposed amendments, makes necessary changes, and formally adopts the amendments. The Mayor and Board of Aldermen must approve all changes in the budget. The Village does not use encumbrance accounting in its accounting system.

The budget comparison schedule included in the accompanying financial statements present the original adopted budget and the final amended budget

The Louisiana Local Government Budget Act provides that the governing authority must adopt a budget amendment if there is a 5% or greater shortage in revenue or a 5% or greater overage in expenditures.

In the General Fund, actual revenues were more than budgeted revenues. Actual expenditures were less than budgeted expenditures.. The budget was amended during the year ended June 30, 2017. The Village is in compliance with the Louisiana Local Government Budget Act.

## OTHER SUPPLEMENTAL INFORMATION

**VILLAGE OF GRAND CANE, LOUISIANA**  
**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS**  
**TO AGENCY HEADS OR CHIEF EXECUTIVE OFFICER**  
 For the Year Ended June 30, 2017

	Marsha Richardson Mayor		
Salary	-		
Benefits-insurance (Medicare)	-		
Benefits- retirement (Social Security)	-		
Benefits - retirement	-		
Car allowance	-		
Dues and memberships	-		
Per diem	-		
Reimbursements	-		
Travel	-		
Registration fees	-		
Conference travel	-		
Continuing professional education fees	-		
Court pay	-		
Cell phone	-		
Special meals	-		
Total	-		-

See accompanying independent accountant's review report.

OTHER REPORTS REQUIRED BY LOUISIANA STATE  
AUDIT LAW



# Dees Gardner, Certified Public Accountants, LLC

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Deborah D. Dees, CPA/CFF

122 Jefferson Street

Maura Dees Gardner, CPA, CFE

Mansfield, LA 71052

318-872-3007

## Independent Accountant's Report on Applying Agreed-Upon Procedures

The Honorable Marsha Richardson, Mayor  
And the Members of the Board of Aldermen  
Grand Cane, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed upon by the management of the Village of Grand Cane, Louisiana and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village of Grand Cane, Louisiana's compliance with certain laws and regulations during the year ended June 30, 2017, included in the accompanying *Louisiana Attestation Questionnaire*. Management of the Village of Grand Cane, Louisiana is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

### Public Bid Law

1. Select all expenditures made during the year for materials and supplies exceeding \$30,000, or public works exceeding \$150,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

No expenditures were made during the year for materials and supplies exceeding \$30,000 or public works exceeding \$150,000.

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

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

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

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

Management provided us with the required list.

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

There were no employees listed that were also included on the listing obtained from management as immediate family members.

## **Budgeting**

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

Management provided us with a copy of the original budget. The budget was amended during the year. The Village is in compliance with the Louisiana Local Budget Act.

6. Trace the budget adoption and amendments to the minute book.

The Board adopted the original budget on June 16, 2016. The budget was amended at the April and June, 2017 meetings.

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

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues were more than budgeted amounts. Actual expenditures were less than budgeted amounts.

## **Accounting and Reporting**

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

- (a) trace payments to supporting documentation as to proper amount and payee;

All checks were supported by proper documentation as to proper amount and payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account;

Six disbursements were selected for examination. All of the payments were properly coded to the correct fund and general ledger accounts.

- (c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the selected disbursements indicated proper approval.

## **Meetings**

1. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by RS 42:4.1 through 42:13 (the open meeting law).

Management indicates that the agendas are posted.

## **Debt**

2. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected all deposits for the period under examination and found no indications of new bank loans, bonds, or like indebtedness during the year.

### **Advances and Bonuses**

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

In our review of the cash disbursements and payroll records for the year, we noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

### **Prior-Year Comments and Recommendations**

12. Review any prior-year suggestions, recommendations, and or comments to determine the extent to which such matters have been resolved.

There were two findings reported for the year ending June 30, 2016.

- a) The Village has a continued finding for an inadequate segregation of duties that management does not see as cost beneficial to correct. The segregation of duties continues to be unresolved.
- b) The Village did not budget the special revenue fund. This issue has been resolved.

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

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

*Dees Gardner, Certified Public Accountants, LLC*

Mansfield, Louisiana  
December 30, 2017

## LOUISIANA ATTESTATION QUESTIONNAIRE

December 17, 2017

Dees Gardner, CPAs, LLC  
122 Jefferson Street  
Mansfield, LA 71052

In connection with your review of our financial statements as of June 30, 2016 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of December 23, 2016.

### Public Bid Law

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

Yes [] No [ ]

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

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes [] No [ ]

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

Yes [] No [ ]

### Budgeting

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

Yes [] No [ ]

### Accounting and Reporting

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

Yes [] No [ ]

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

Yes [] No [ ]

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

Yes [] No [ ]

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

Yes [] No [ ]

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.  
Yes [] No [  ]

**Debt**

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

Yes [] No [  ]

**Advances and Bonuses**

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

Yes [] No [  ]

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

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.

Marsha Richardson Mayor December 17, 2017 Date

[Signature] Clerk December 17, 2017 Date