# VILLAGE OF PROVENCAL
# ANNUAL FINANCIAL REPORT

## JUNE 30, 2026

Village of Provencal
Financial Report
June 30, 2026

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# MANAGEMENT'S DISCUSSION AND ANALYSIS

## VILLAGE OF PROVENCAL, LOUISIANA

For the Fiscal Year Ended June 30, 2026

The Management's Discussion and Analysis (MD&A) of the Village of Provencal, Louisiana (the Village) provides an objective and easily readable analysis of the Village's financial activities for the fiscal year ended June 30, 2026. This discussion and analysis should be read in conjunction with the Village's basic financial statements and accompanying notes.

The Village operates under a Mayor-Aldermen form of government and provides police, streets and drainage, and general and administrative services. The Village also owns and operates a utility system that provides water, sewer and gas services.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The Village's basic financial statements consist of government-wide financial statements, fund financial statements, and notes to the financial statements. The report also contains required supplementary information and other supplementary information.

**Government-Wide Financial Statements**

The government-wide financial statements provide a broad overview of the Village's finances using accounting methods similar to those used by private-sector businesses. These statements consist of the Statement of Net Position and the Statement of Activities.

The **Statement of Net Position** presents the Village's assets less its liabilities, with the difference reported as net position. Changes in net position over time may provide an indication of whether the Village's overall financial position is improving or deteriorating.

The **Statement of Activities** presents information showing how the Village's net position changed during the fiscal year. Governmental activities, which are primarily supported by taxes, fines and forfeitures, and intergovernmental revenues, are reported separately from business-type activities, which rely significantly on fees and charges for services.

**Fund Financial Statements**

Fund financial statements provide more detailed information about the Village's most significant funds. The Village uses fund accounting to demonstrate compliance with finance-related legal requirements and to segregate transactions related to certain governmental functions or activities.

**Governmental funds** account for substantially the same functions reported as governmental activities in the government-wide statements. However, governmental funds focus on current financial resources and near-term inflows and outflows of spendable resources.

**Proprietary funds** account for operations conducted in a manner similar to private-sector businesses. The Village's Utility Fund accounts for its water and sewer operations.

The government-wide and proprietary financial statements use the economic resources measurement focus and accrual basis of accounting. Governmental fund financial statements use the current financial resources measurement focus and modified accrual basis of accounting.

The notes to the financial statements provide additional information to explain in detail some of the data contained in those financial statements. Following the notes is the required supplementary information. This section contains budgetary information for the General Fund.

The other supplementary schedules provide details about compensation, benefits, and other payments to the agency head and the justice system funding.

FINANCIAL SUMMARY

The following tables summarize the Village's financial position and results of operations for fiscal years 2026 and 2025.

Summary of Statement of Net Position

| | June 30, 2026 | | | June 30, 2025 | | |
|---|---|---|---|---|---|---|
| | Governmental Activities | Business-Type Activities | Total | Governmental Activities | Business-Type Activities | Total |
| ASSETS: | | | | | | |
| Current Assets | $ 49,153 | $ 78,021 | $ 127,174 | $ 40,848 | $ 79,620 | $ 120,468 |
| Restricted Assets | - | 53,142 | 53,142 | - | 42,278 | 42,278 |
| Capital Assets, Net of Accumulated Depreciation | 32,487 | 1,801,415 | 1,833,902 | 43,441 | 1,897,133 | 1,940,574 |
| Total Assets | $ 81,640 | $ 1,932,578 | $ 2,014,218 | $ 84,289 | $ 2,019,031 | $ 2,103,320 |
| LIABILITIES: | | | | | | |
| Long-Term Debt | $ 32,325 | $ - | $ 32,325 | $ 43,147 | $ - | $ 43,147 |
| Customer Deposits Payable | - | 24,544 | 24,544 | - | 26,541 | 26,541 |
| Total Liabilities | $ 32,325 | $ 24,544 | $ 56,869 | $ 43,147 | $ 26,541 | $ 69,688 |
| NET POSITION: | | | | | | |
| Net Investment in Capital Assets | $ 162 | $ 1,801,415 | $ 1,801,577 | $ 294 | $ 1,897,135 | $ 1,897,429 |
| Unrestricted | 49,153 | 106,619 | 155,772 | 40,848 | 95,355 | 136,203 |
| Net Position | $ 49,315 | $ 1,908,034 | $ 1,957,349 | $ 41,142 | $ 1,992,490 | $ 2,033,632 |

Summary of Statement of Activities

| | June 30, 2026 | | | June 30, 2025 | | |
|---|---|---|---|---|---|---|
| | Governmental Activities | Business-Type Activities | Total | Governmental Activities | Business-Type Activities | Total |
| REVENUES: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | $ 58,990 | $ 335,974 | $ 394,964 | $ 61,087 | $ 342,827 | $ 403,914 |
| Intergovernmental | 2,500 | - | 2,500 | - | - | - |
| General Revenues: | | | | | | |
| Taxes- | | | | | | |
| Franchise Fees | 22,116 | - | 22,116 | 20,045 | - | 20,045 |
| Interest | 338 | 236 | 574 | 87 | 174 | 261 |
| Other | 5,159 | - | 5,159 | 3,382 | - | 3,382 |
| Total Revenues | $ 89,103 | $ 336,210 | $ 425,313 | $ 84,601 | $ 343,001 | $ 427,602 |
| EXPENSES | | | | | | |
| General Government | $ 55,720 | $ - | $ 55,720 | $ 61,058 | $ - | $ 61,058 |
| Public Safety | 24,098 | - | 24,098 | 16,061 | - | 16,061 |
| Interest on Long-Term Debt | 2,352 | - | 2,352 | 3,273 | - | 3,273 |
| Public Works | - | 419,426 | 419,426 | - | 431,366 | 431,366 |
| Transfers | (1,240) | 1,240 | - | 2,063 | (2,063) | - |
| Total Expenses | $ 80,930 | $ 420,666 | $ 501,596 | $ 82,455 | $ 429,303 | $ 511,758 |
| Change in Net Position | $ 8,173 | $ (84,456) | $ (76,283) | $ 2,146 | $ (86,302) | $ (84,156) |
| Beginning Net Position | 41,142 | 1,992,490 | 2,033,632 | 38,996 | 2,078,792 | 2,117,788 |
| Ending Net Position | $ 49,315 | $ 1,908,034 | $ 1,957,349 | $ 41,142 | $ 1,992,490 | $ 2,033,632 |

At June 30, 2026, the Village reported total assets of $2,014,218, compared with liabilities of $56,869. The resulting total net position was $1,957,349, a decrease of $76,283, or 4%, from $2,033,632 in the prior year.

Governmental activities reported net position of $49,315, an increase of $8,173, while business-type activities reported net position of $1,908,034, a decrease of $84,456.

## DETAILED ANALYSES

### Government-Wide Financial Analysis

### Governmental Activities

Governmental activities increased the Village's net position by $8,173 during fiscal year 2026, compared with an increase of $2,146 in fiscal year 2025.

Governmental activity expenses decreased from $82,455 in 2025 to $80,930 in 2026, a decrease of $1,525, or 2%. There were no significant changes in the governmental activity expenses from prior year.

Governmental activity revenues increased from $84,601 in 2025 to $89,103 in 2026, an increase of $4,502, or 5%. There were no significant changes in the governmental activity revenues from prior year.

### Business-Type Activities

Business-type activities decreased net position by $84,456 during fiscal year 2026, compared with a decrease of $86,302 in fiscal year 2025.

Business-type activity expenses decreased from $429,303 in 2025 to $420,666 in 2026, a decrease of $8,637, or 2%. There were no significant changes in the business-type activity expenses from prior year.

Business-type activity revenues decreased from $343,001 in 2025 to $336,210 in 2026, a decrease of $6,791, or 2%. There were no significant changes in the business-type activity revenues from prior year.

The Utility Fund provided $20,996 of cash from operating activities. Cash and cash equivalents increased $19,992 during the year due to cash received from customers exceeded cash paid for operating expenses.

### Financial Analysis of the Village's Funds

At June 30, 2026, the Village's governmental fund reported fund balance of $49,153. The General Fund reported revenues of $89,103, expenditures of $82,038, transfers in of $1,240, and an increase in fund balance of $8,305.

The General Fund ended the year with a fund balance of $49,153, all of which is unassigned. There was an increase in the fund balance during the fiscal year 2026 as the revenues continue to support the governmental activities.

### Budgetary Analysis

The original and final General Fund budget anticipated revenues of $54,500 and expenditures of $54,500.

Actual General Fund revenues and other sources were $90,343, exceeding the final budget by $35,843. The most significant favorable revenue variances included charges for services for streetlights of $23,673 and franchise fees of $9,116.

Actual expenditures $82,038 exceeded the final budget by $27,538, or 51%. The Village did not correctly anticipate the current year expenditures and did not amend the budget as required by state statues.

## SIGNIFICANT CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY

### Capital Assets

At June 30, 2026, the Village reported $1,833,902 in net capital assets.

Governmental activities had no capital asset additions. Governmental depreciation expense was $10,954.

Business-type activities had no capital asset additions. Business-type depreciation expense was $95,718.

**Long-Term Liabilities**

At June 30, 2026, the Village reported $32,325 in long-term liabilities in the governmental activities. This long-term liability was acquired on January 30, 2024 to Capital Government Corporation for a police vehicle. $11,507 of long-term debt is due within one year and $20,818 is due beyond one year. The Village did not acquire any new long-term liabilities during the current year.

## CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The Village enters fiscal year 2027 with a governmental fund balance of $49,153 and a business-type net position of $1,908,034. In developing the fiscal year 2027 budget, the Village considered intergovernmental revenues, fees, fines and charges for services, interest income and anticipated expenditures. The fiscal year 2027 budget anticipates total revenues of $61,800 with slight increases in intergovernmental and charges for services and anticipates total expenditures of $61,800 with slight increases in personnel services.

The Village does not expect any future events or economic conditions to significantly affect the revenues or expenditures.

## REQUEST FOR INFORMATION

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the resources it receives. Questions concerning this report or requests for additional financial information should be directed to the Village at P.O. Box 400, Provencal, LA 71468.

T | C | B | T
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# INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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

We have reviewed the accompanying financial statements of the governmental activities, business-type activities, and major funds of the Village of Provencal, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

## Management's Responsibility for the Financial Statements

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

## Accountant's Responsibility

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

We are required to be independent of the Village of Provencal, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

## Accountant's Conclusion

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

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedule as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a required 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. Such information is the responsibility of management. We have not audited, reviewed or compiled the required supplementary information and we do not express an opinion, a conclusion, nor provide any assurance on it.

**Supplementary Information**

The accompanying Schedule of Compensation, Benefits, and Other Payments to the Agency Head and Justice System Funding Schedule – Collecting and Disbursing, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.

**Other Reporting Requirements**

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report dated September 30, 2026, on the results of our agreed-upon procedures and present the Louisiana Attestation Questionnaire as listed in the table of contents.



Thomas, Cunningham, Broadway & Todtenbier, CPA's
Natchitoches, Louisiana

September 30, 2026

BASIC FINANCIAL STATEMENTS

# GOVERNMENT-WIDE FINANCIAL STATEMENTS

Village of Provencal
Statement of Net Position
June 30, 2026

| | Governmental Activities | Business-Type Activities | Total |
|---|---|---|---|
| ASSETS: | | | |
| Current Assets: | | | |
| Cash & Cash Equivalents | $ 49,153 | $ 54,042 | $ 103,195 |
| Revenue Receivable | - | 23,979 | 23,979 |
| Total Current Assets | $ 49,153 | $ 78,021 | $ 127,174 |
| Non-current Assets: | | | |
| Restricted Assets- | | | |
| Customers' Meter Deposits | $ - | $ 53,142 | $ 53,142 |
| Capital Assets (net) | 32,487 | 1,801,415 | 1,833,902 |
| Total Non-current Assets | $ 32,487 | $ 1,854,557 | $ 1,887,044 |
| Total Assets | $ 81,640 | $ 1,932,578 | $ 2,014,218 |
| LIABILITIES: | | | |
| Current Liabilities: | | | |
| Current Portion Long-Term Debt | $ 11,507 | $ - | $ 11,507 |
| Non-current Liabilities | | | |
| Long Term Debt | $ 20,818 | $ - | $ 20,818 |
| Payable from Restricted Assets- | | | |
| Customers' Meter Deposits | - | 24,544 | 24,544 |
| Total Non-Current Liabilities | $ 20,818 | $ 24,544 | $ 45,362 |
| Total Liabilities | $ 32,325 | $ 24,544 | $ 56,869 |
| NET POSITION: | | | |
| Net Investment in Capital Assets | $ 162 | $ 1,801,415 | $ 1,801,577 |
| Unrestricted | 49,153 | 106,619 | 155,772 |
| Total Net Position | $ 49,315 | $ 1,908,034 | $ 1,957,349 |

See accompanying notes and independent accountant’s review report.

Village of Provencal
Statement of Activities
June 30, 2026

| Activities | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants & Contributions | Net (Expense) Revenue and Changes in Net Position: Governmental Activities | Net (Expense) Revenue and Changes in Net Position: Business-Type Activities | Net (Expense) Revenue and Changes in Net Position: Total |
|---|---|---|---|---|---|---|
| Governmental Activities: | | | | | | |
| General Government | $ 55,720 | $ 23,673 | $ - | $ (32,047) | $ - | $ (32,047) |
| Public Safety | 24,098 | 35,317 | 2,500 | 13,719 | - | 13,719 |
| Interest on Long-Term Debt | 2,352 | - | - | (2,352) | - | (2,352) |
| Total Governmental Activities | $ 82,170 | $ 58,990 | $ 2,500 | $ (20,680) | $ - | $ (20,680) |
| Business-Type Activities: | | | | | | |
| Water/Sewer | 419,426 | 335,974 | - | - | (83,452) | (83,452) |
| Total Government | $ 501,596 | $ 394,964 | $ 2,500 | $ (20,680) | $ (83,452) | $ (104,132) |
| General Revenues: | | | | | | |
| Taxes- | | | | | | |
| Franchise Fees | | | | $ 22,116 | $ - | $ 22,116 |
| Miscellaneous | | | | 5,497 | 236 | 5,733 |
| Transfer | | | | 1,240 | (1,240) | - |
| Total General Revenues | | | | $ 28,853 | $ (1,004) | $ 27,849 |
| Change in Net Position | | | | $ 8,173 | $ (84,456) | $ (76,283) |
| Net Position-July 1, 2025 | | | | 41,142 | 1,992,490 | 2,033,632 |
| Net Position-June 30, 2026 | | | | $ 49,315 | $ 1,908,034 | $ 1,957,349 |

See accompanying notes and independent accountant’s review report.

FUND FINANCIAL STATEMENTS

Village of Provencal
Balance Sheet - Governmental Fund
June 30, 2026

| | General Fund |
|---|---|
| ASSETS: | |
| Cash & Cash Equivalents | $ 49,153 |
| FUND BALANCE: | |
| Unassigned | $ 49,153 |

See accompanying notes and independent accountant's review report.

Village of Provencal
Reconciliation of Governmental Fund
Balance Sheet to the Statement of Net Position
June 30, 2026

| | | |
|---|---|---|
| Total Fund Balance for the Governmental Fund at June 30, 2026 | $ | 49,153 |
| Amounts reported for Governmental Activities in the Statement of Net Position are different because: | | |
| Capital Assets used in Governmental Activities are not current financial resources; and, therefore, are not reported in the Governmental Fund Balance Sheet- | | |
| Land, Equipment, Buildings, and Vehicles | | 181,725 |
| Less: Accumulated Depreciation | | (149,238) |
| The following are not due and payable in the current period and, therefore, are not reported in the Governmental Fund Balance Sheet- | | |
| Long-term Debt | | (32,325) |
| Total Net Position of Governmental Activities at June 30, 2026 | $ | 49,315 |

See accompanying notes and independent accountant's review report.

Village of Provencal
Statement of Revenues, Expenditures, and Changes in Fund Balance-
Governmental Fund
June 30, 2026

| | General Fund |
|---|---|
| REVENUES | |
| Taxes- | |
| Franchise Fees | $ 22,116 |
| Charges for Services | 23,673 |
| Fines & Forfeitures | 35,317 |
| Intergovernmental | 2,500 |
| Miscellaneous | 5,497 |
| Total Revenues | $ 89,103 |
| EXPENDITURES | |
| Current- | |
| General Government | $ 44,766 |
| Public Safety | 24,098 |
| Debt Service | 13,174 |
| Total Expenditures | $ 82,038 |
| Excess (Deficiency) of Revenues over Expenditures | $ 7,065 |
| Other Financing Sources (Uses): | |
| Transfer In | 1,240 |
| Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses | $ 8,305 |
| Fund Balance-Beginning of Year | 40,848 |
| Fund Balance-End of Year | $ 49,153 |

See accompanying notes and independent accountant's review report.

Village of Provencal
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balance of the Governmental Fund
to the Statement of Activities
June 30, 2026

| | | |
|---|---|---|
| Net change in fund balance-governmental fund | $ | 8,305 |
| Some revenues reported in the Statement of Activities do not provide current financial resources and these are not reported as revenues in governmental funds. Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the funds. These timing differences are summarized below: | | |
| Depreciation Expense | | (10,954) |
| Principal Debt Payments | | 10,822 |
| Change in net position per statement of activities at June 30, 2026 | $ | 8,173 |

See accompanying notes and independent accountant's review report.

Village of Provencal
Statement of Net Position
Proprietary Fund
June 30, 2026

| | | |
|---|---|---|
| ASSETS: | | |
| Current Assets: | | |
| Cash & Cash Equivalents | $ | 54,042 |
| Revenue Receivable | | 23,979 |
| Total Current Assets | $ | 78,021 |
| Non-current Assets: | | |
| Restricted Assets- | | |
| Customers' Meter Deposits | $ | 53,142 |
| Capital Assets (net) | | 1,801,415 |
| Total Non-current Assets | $ | 1,854,557 |
| Total Assets | $ | 1,932,578 |
| LIABILITIES: | | |
| Non-current Liabilities | | |
| Payable from Restricted Assets- | | |
| Customers' Meter Deposits | $ | 24,544 |
| NET POSITION: | | |
| Net Investment in Capital Assets | $ | 1,801,415 |
| Unrestricted | | 106,619 |
| Total Net Position | $ | 1,908,034 |

See accompanying notes and independent accountant’s review report.

Village of Provencal
Statement of Revenues, Expenses, and Changes in Net Position-
Proprietary Fund
June 30, 2026

| | | |
|---|---|---|
| Operating Revenues: | | |
| Charges for Services | $ | 335,974 |
| Operating Expenses: | | |
| Utility System | | 419,426 |
| Operating Loss | $ | (83,452) |
| Noncapital Subsidies: | | |
| Transfers Out | | (1,240) |
| Operating Loss and Noncapital Subsidies | $ | (84,692) |
| Other Nonoperating Revenues | | |
| Interest Income | | 236 |
| Change in Net Position | $ | (84,456) |
| Net Position at Beginning of Year | | 1,992,490 |
| Net Position at End of Year | $ | 1,908,034 |

See accompanying notes and independent accountant's review report.

Village of Provencal
Statement of Cash Flows
Proprietary Fund
June 30, 2026

| | Water/Sewer Total |
|---|---|
| Cash Flows from Operating Activities: | |
| Cash Received from Customers | $ 344,704 |
| Cash Paid to Suppliers | (262,430) |
| Cash Paid to Employees | (61,278) |
| Net Cash Provided (Used) By Operating Activities | $ 20,996 |
| | |
| Cash Flows from Non-Capital Financing Activities: | |
| Transfer to General Fund | $ (1,240) |
| Miscellaneous Income | 236 |
| Net Cash Used by Non-Capital Financing | $ (1,004) |
| | |
| Net Increase in Cash & Cash Equivalents | $ 19,992 |
| | |
| Cash and Cash Equivalents at Beginning of Year | 87,192 |
| | |
| Cash and Cash Equivalents at End of Year | $ 107,184 |
| | |
| Reconciliation of Operating Income (Loss) | |
| to Net Cash Provided (Used) by Operating Activities: | |
| | |
| Operating Income (Loss) | $ (83,452) |
| | |
| Adjustments to Reconcile Operating Income (Loss) | |
| to Net Cash Provided (Used) by Operating Activities: | |
| Depreciation Expense | 95,718 |
| Changes in Assets and Liabilities: | |
| (Increase) Decrease in Accounts and Other Receivables | 10,726 |
| Increase (Decrease) in Accounts and Other Payables | - |
| Increase (Decrease) in Customer Deposits | (1,996) |
| Net Cash Provided (Used) by Operating Activities | $ 20,996 |
| | |
| Cash & Cash Equivalents- | |
| Operating Account | $ 54,042 |
| Customers' Meter Deposits | 53,142 |
| Total | $ 107,184 |

See accompanying notes and independent accountant’s review report.

NOTES TO FINANCIAL STATEMENTS

Village of Provencal
Notes to Financial Statements
June 30, 2026

Introduction:

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

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

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

1. Summary of Significant Accounting Policies:

A. REPORTING ENTITY-

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

B. BASIS OF PRESENTATION-

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

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Net Position presents the governmental-type activities on a consolidated basis, and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Village's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, 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.

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

C. FUND ACCOUNTING-

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

The Village maintains two funds. They are categorized as a governmental fund and a proprietary fund. The emphasis on fund financial statements is on major governmental and enterprise funds; each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

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

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

The funds of the Village are described below:

Governmental Fund-

General Fund

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

Proprietary Fund-

Enterprise Fund

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

The Village considers both funds to be major.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING-

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

Accrual Basis - Government-Wide Financial Statements (GWFS)

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

Modified Accrual Basis - Fund Financial Statements (FFS)

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

E. CASH AND INTEREST-BEARING DEPOSITS-

For purposes of the Statement of Net Position and Statement of Cash Flows, cash and interest-bearing deposits include all demand accounts and savings accounts of the Village.

F. CAPITAL ASSETS-

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

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

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

| | |
|---|---|
| Buildings and improvements | 40 years |
| Equipment and vehicles | 3-13 years |
| Utility system and improvements | 10-50 years |

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

G. RESTRICTED ASSETS-

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

H. INTERFUND TRANSACTIONS-

Resources belonging to particular funds are commonly shared with other funds that need access to additional resources. When resources are provided without the expectation of repayment, the transaction is reported as a transfer and is treated as a source of income by the recipient and as an expenditure or expense by the provider. If repayment is expected, these receivables and payables are classified as “Due from other funds” or “Due to other funds.”

In preparing the government-wide financial statements, transfers are eliminated to present net transfers for governmental activities and business-type activities. In addition, interfund receivables and payables are eliminated to present a net balance for each type of activity.

I. COMPENSATED ABSENCES-

Village employees do not accrue leave; accordingly, no liability is recorded.

J. EQUITY CLASSIFICATIONS-

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

a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position - Consists of net resources with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.

c. Unrestricted net position - All other net resources that do not meet the definition of “restricted” or “net investment in capital assets”.

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

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

a. Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;

b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;

c. Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;

d. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;

e. Unassigned fund balance - amounts that are available for any purpose. Only the General Fund would report positive amounts in unassigned fund balance.

The General Fund has an unassigned fund balance of $49,153. If applicable, the Village would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

K. ESTIMATES-

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

L. OPERATING AND NONOPERATING REVENUES AND EXPENSES-

Operating revenues and expenses of the proprietary fund are all revenues and expenses other than nonoperating revenues and expenses. Nonoperating revenues and expenses are (1) subsidies received and provided, (2) contributions to permanent and term endowments, (3) revenues and expenses related to financing, (4) resources from the disposal of capital assets and inventory, and (5) investment income and expenses. Subsidies are resources received from or provided to another party or fund for which goods and services are not provided in return during the same period, or that directly or indirectly keep the Utility Fund’s current or future fees and charges lower than they otherwise would be. Noncapital subsidies are reported immediately after operating income (loss), followed by a subtotal for operating income (loss) and noncapital subsidies. The Utility Fund’s operating revenues consist of water, sewer and gas charges, rental income, and miscellaneous revenues.

M. EXPENDITURES/EXPENSES-

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

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

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

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

N. BUDGET-

Prior to the beginning of each fiscal year, the Village adopts a General Fund budget for the next fiscal year. The budget is open for public inspection. All budgetary appropriations lapse at the end of the fiscal year. The budget is prepared on the modified accrual basis of accounting. Budgetary comparison information is presented as required supplementary information.

O. UNUSUAL OR INFREQUENT ITEMS-

Transactions and other events that are unusual in nature, infrequent in occurrence, or both, are reported separately in the financial statements, and the program, function, or identifiable activity to which each item is related is disclosed. There were no unusual or infrequent items for the year ended June 30, 2026.

P. IMPLEMENTATION OF NEW GASB STANDARDS

For the year ended June 30, 2026, the Village implemented GASB Statement No. 103, Financial Reporting Model Improvements, GASB Statement No. 104, Disclosure of Certain Capital Assets, and early implemented GASB Statement No. 105, Subsequent Events.

GASB Statement No. 103 improves the effectiveness of financial reporting by establishing requirements for management's discussion and analysis, the definition of operating and nonoperating revenues and expenses in proprietary funds, the separate presentation of unusual or infrequent items, and the presentation of budgetary comparison information. As a result, the Village's reorganized the management's discussion and analysis and added the variance between original and final budget amounts to the General Fund budgetary comparison schedule, which is presented as required supplementary information with explanations of significant variances in the accompanying notes. The implementation had no effect on beginning net position or fund balance.

GASB Statement No. 104 enhances the usefulness of capital asset reporting in governmental financial statements. This statement had no effect on the Village's financial statements.

GASB Statement No. 105 improves the financial reporting requirements for subsequent events. This statement had no effect on the Village's financial statements.

2. Cash and Cash Equivalents:

At June 30, 2026, the Village had $160,376 in deposits (collected bank balances). These deposits were fully secured from risk by federal deposit insurance.

3. Capital Assets:

Capital asset activity for the year ended June 30, 2026, is as follows:

| Governmental Activities | Balance 07-01-25 | Additions | Deletions | Balance 06-30-26 |
|---|---|---|---|---|
| Capital Assets, Not Depreciated- | | | | |
| Construction in Progress | $ 0 | $ 0 | $0 | $ 0 |
| Capital Assets Depreciated- | | | | |
| Building | 41,190 | 0 | 0 | 41,190 |
| Office Furniture, Fixtures & Equipment | 40,378 | 0 | 0 | 40,378 |
| Vehicles | 100,157 | 0 | 0 | 100,157 |
| Total Capital Assets | $ 181,725 | $ 0 | $0 | $ 181,725 |
| Less, Accumulated Depreciation- | | | | |
| Building | $ 41,065 | $ 125 | $0 | $ 41,190 |
| Office Furniture, Fixtures & Equipment | 40,378 | 0 | 0 | 40,378 |
| Vehicles | 56,841 | 10,829 | 0 | 67,670 |
| Total Accumulated Depreciation | $ 138,284 | $ 10,954 | $0 | $ 149,238 |
| Net Capital Assets | $ 43,441 | $(10,954) | $0 | $ 32,487 |

| Business-Type Activities | Balance 07-01-25 | Additions | Deletions | Balance 06-30-26 |
|---|---|---|---|---|
| Capital Assets, Not Depreciated- | | | | |
| Land | $ 38,250 | $ 0 | $0 | $ 38,250 |
| Capital Assets Depreciated- | | | | |
| General Equipment | 23,014 | 0 | 0 | 23,014 |
| Utility Systems | 3,853,078 | 0 | 0 | 3,853,078 |
| Total Capital Assets | $3,914,342 | $ 0 | $0 | $3,914,342 |
| Less, Accumulated Depreciation- | | | | |
| General Equipment | $ 19,318 | $ 1,111 | $0 | $ 20,429 |
| Utility Systems | 1,997,891 | 94,607 | 0 | 2,092,498 |
| Total Accumulated Depreciation | $2,017,209 | $ 95,718 | $0 | $2,112,927 |
| Net Capital Assets | $1,897,133 | $(95,718) | $0 | $1,801,415 |

Depreciation expense of $10,954 was charged to the general government function and $95,718 was charged to the business-type activities.

4. Compensation of Aldermen:

For the year ended June 30, 2026, the following amounts were paid to the Board of Aldermen:

| | |
|---|---|
| Dustin Adcock | $ 550 |
| Joseph Givens | 550 |
| James Dupree | 0 |
| Total | $1,100 |

5. Related Parties:

The Village had no identified related party transactions for the year ended June 30, 2026.

6. Litigation:

At June 30, 2026, the Village was not a party in any outstanding civil suit seeking damages.

7. Long-Term Debt

On January 30, 2024, the Village entered into a Louisiana Municipal Lease-Purchase Agreement for $56,590 with an interest rate of 6.15%. The agreement, from Capital Government Corporation, was for a police vehicle. Interest and principal payments are due on the 30th of each quarter month for the years 2024-2029.

The future payments are as follows:

| Year | Principal | Interest | Total |
|---|---|---|---|
| 2027 | $11,507 | $1,667 | $13,174 |
| 2028 | 12,234 | 939 | 13,173 |
| 2029 | 8,584 | 199 | 8,783 |
| Total | $32,325 | $2,805 | $35,130 |

The change in long-term debt for the year is as follows:

| Beginning Balance | Additions | Reductions | Ending Balance |
|---|---|---|---|
| $43,147 | $0 | $10,822 | $32,325 |

8. Subsequent Events:

Management has evaluated events through September 30, 2026, the date which the financial statements were issued. No recognized or nonrecognized subsequent events were identified that required recognition or disclosure in the financial statements.

# OTHER REQUIRED
# SUPPLEMENTARY INFORMATION

Village of Provencal
General Fund
Budgetary Comparison Schedule
June 30, 2026

| | Budgeted Amounts | | Variance with Original Budget - over (under) | Actual Amounts Budgetary (and | Variance with Final Budget - Favorable (Unfavorable) |
|---|---|---|---|---|---|
| | Original | Final | Final Budget | GAAP) Basis | Actual Amounts |
| REVENUES: | | | | | |
| Taxes- | | | | | |
| Franchise Fees | $ 13,000 | $ 13,000 | $ - | $ 22,116 | $ 9,116 |
| Charges for Services | - | - | - | 23,673 | 23,673 |
| Fines & Forfeitures | 38,000 | 38,000 | - | 35,317 | (2,683) |
| Intergovernmental | - | - | - | 2,500 | 2,500 |
| Miscellaneous | 3,500 | 3,500 | - | 5,497 | 1,997 |
| Total Revenues | $ 54,500 | $ 54,500 | $ - | $ 89,103 | $ 34,603 |
| EXPENDITURES: | | | | | |
| Current- | | | | | |
| General Government | $ 39,160 | $ 39,160 | $ - | $ 44,766 | $ (5,606) |
| Public Safety | 15,340 | 15,340 | - | 24,098 | (8,758) |
| Debt Service | - | - | - | 13,174 | (13,174) |
| Total Expenditures | $ 54,500 | $ 54,500 | $ - | $ 82,038 | $ (27,538) |
| Excess (Deficiency) of Revenues over Expenditures | $ - | $ - | $ - | $ 7,065 | $ 7,065 |
| Other Financing Sources (Uses): | | | | | |
| Transfer In | - | - | - | 1,240 | 1,240 |
| Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses | $ - | $ - | $ - | $ 8,305 | $ 8,305 |
| Fund Balance-Beginning of Year | 40,848 | 40,848 | - | 40,848 | - |
| Fund Balance-End of Year | $ 40,848 | $ 40,848 | $ - | $ 49,153 | $ 8,305 |

See accompanying notes and independent accountant's review report.

Village of Provencal
General Fund
Notes to Budgetary Comparison Schedule
Year Ended June 30, 2026

**Note 1 - Budgetary Information**

**Budget process**. A budget for the ensuing year is prepared prior to June 30 of each year and is made available for public inspection at least fifteen days prior to the beginning of each fiscal year. The proposed budget is prepared on the modified accrual basis of accounting.

**Basis of budgeting.** The budget is prepared in accordance with accounting principles generally accepted in the United States of America. The Louisiana Local Government Budget Act provides that "the total of proposed expenditures shall not exceed the total of estimated funds available for the ensuing year". The "total estimated funds available" is the sum of the respective estimated fund balances at the beginning of the year and the anticipated revenues for the current year.

**Legal level of budgetary control**. The budget is established and controlled by the mayor and aldermen at the object level of expenditure. Expenditures may not legally exceed appropriations at the fund level.

**Amendments.** The original budget column reflects the budget as first adopted. There were no amendments to the budget during the fiscal year.

**Lapse of appropriations**. Appropriations that are not expended lapse at year-end and must be reappropriated for the following year to be expended.

**Budget results.** Actual revenues and other sources were more than budgeted revenues by $35,843 (66%). Actual expenditures were more than budgeted expenditures by $27,538 (51%). The Village is not in compliance with the Louisiana Local Government Budget Act.

**Note 2 - Explanation of Significant Variances**

The Village considers a variance significant when it exceeds both 10% and $3,500 of the related budget line at the general government and public safety level, or when it is otherwise important to understanding the Village's budgetary performance.

**Variances between the final budget and actual amounts – General Fund**

| Line Item | Final Budget | Actual | Variance | Explanation |
|---|---|---|---|---|
| Taxes | 13,000 | 22,116 | 9,116 | Actual franchise taxes exceeded expectations |
| Charges for Services | - | 23,673 | 23,673 | The budget did not address amounts to be received by the street light income |
| General Government | 39,160 | 44,766 | (5,606) | Actual insurance expenditures were more than expectations |
| Public Safety | 15,340 | 24,098 | (8,758) | Actual public safety expenditures exceeded expectations |
| Debt Service | - | 13,174 | (13,174) | The budget did not address amounts to be paid for debt service |

SUPPLEMENTARY INFORMATION

Village of Provencal
Schedule of Compensation, Benefits and Other Payments to
Agency Head or Chief Executive Officer
June 30, 2026

Agency Head Name: Daniel Gongre, Mayor

| Purpose | | Amount |
|---|---|---|
| Per Diem | $ | 550 |
| Reimbursements | | 7,196 |

See independent accountant's review report.

# Justice System Funding Schedule - Collecting/Disbursing Entity

## As Required by Act 87 of the 2020 Regular Legislative Session

| Identifying Information | |
|---|---|
| **Entity Name** | Village of Provencal |
| **LLA Entity ID #** (This is the ID number assigned to the entity by the Legislative Auditor for identification purposes.) | 2430 |
| **Date that reporting period ended** (mm/dd/yyyy) | Tuesday, June 30, 2026 |

| Cash Basis Presentation | First Six Month Period Ended 12/31/25 | Second Six Month Period Ended 06/30/26 |
|---|---|---|
| **Beginning Balance of Amounts Collected (i.e. cash on hand)** | 532 | 485 |
| **Add: Collections** | | |
| Civil Fees (*including refundable amounts such as garnishments or advance deposits*) | - | - |
| Bond Fees | - | - |
| Asset Forfeiture/Sale | - | - |
| Pre-Trial Diversion Program Fees | - | - |
| Criminal Court Costs/Fees | 15,052 | 20,265 |
| Criminal Fines - Contempt | - | - |
| Criminal Fines - Other | - | - |
| Restitution | - | - |
| Probation/Parole/Supervision Fees | - | - |
| Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees) | - | - |
| Interest Earnings on Collected Balances | - | - |
| Other *(do not include collections that fit into more specific categories above)* | - | - |
| **Subtotal Collections** | **15,052** | **20,265** |
| **Less: Disbursements To Governments & Nonprofits:** (*Must include one agency name and one collection type on each line and may require multiple lines for the same agency if more than one collection type is applicable. Additional rows may be added as necessary.*) | | |
| *Criminalistics Lab North LA, Criminal Court Costs/Fees* | 2,050 | 2,090 |
| *Department of the Treasury - CMIS, Criminal Court Costs/Fees* | 59 | 71 |
| *LA Commission on Law Enforcement, Criminal Court Costs/Fees* | 558 | 580 |
| *Louisiana Supreme Court, Criminal Court Costs/Fees* | 35 | 36 |
| *LA Department of Health - TH/SCI T.F., Criminal Court Costs/Fees* | 295 | 355 |
| **Less: Amounts Retained by Collecting Agency** | | |
| Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection | - | - |
| Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount | - | - |
| Amounts "Self-Disbursed" to Collecting Agency (*must include a separate line for each collection type, as applicable*) - Example: Criminal Fines - Other (*Additional rows may be added as necessary*) | | |
| Self-Disbursed Village of Provencal, Criminal Fines-Other | - | - |
| Self-Disbursed Village of Provencal, Criminal Cost/Fees | 12,102 | 17,250 |
| **Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies** | | |
| Civil Fee Refunds | - | - |
| Bond Fee Refunds | - | - |
| Restitution Payments to Individuals (additional detail is not required) | - | - |
| Other Disbursements to Individuals (additional detail is not required) | - | - |
| Payments to 3rd Party Collection/Processing Agencies | - | - |
| **Subtotal Disbursements/Retainage** | 15,099 | 20,382 |
| **Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)** | 485 | 368 |
| **Ending Balance of "Partial Payments" Collected but not Disbursed** (*only applies if collecting agency does not disburse partial payments until fully collected*) - *This balance is included in the Ending Balance of Amounts Collected but not Disbursed/Retained above.* | - | - |
| **Other Information:** | | |
| Ending Balance of Total Amounts Assessed but not yet Collected (*i.e. receivable balance*) | - | - |
| Total Waivers During the Fiscal Period (*i.e. non-cash reduction of receivable balances, such as time served or community service*) | - | - |

OTHER REPORTS/SCHEDULES

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

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

Mark D. Thomas, CPA - A Professional Corporation
Roger M. Cunningham, CPA, LLC
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# INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below on the Village's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2026, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Village's management is responsible for its financial records and compliance with applicable laws and regulations.

The Village has agreed and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the Village's compliance with laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2026. Additionally, the Louisiana Legislative Auditor has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

## PUBLIC BID LAW

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding $60,000, and public works exceeding $250,000. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1755 (the state procurement code) or R.S. 38::2211-2296 (the public bid law), or the regulations of the Division of Administration and the State Purchasing Office, whichever is applicable; and report whether the expenditures were made in accordance with these laws.

   There were no expenditures made during the fiscal year for materials and supplies exceeding $60,000 or for public works exceeding $250,000.

## CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

2. Obtain a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1224 (the ethics law).

   Management provided us with the required list.

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

   Management provided us with the required list.

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

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

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

   Management provided the requested information. None of the business interests of board members, employees, or board members' and employees' immediate families appeared as vendors on the list of disbursements.

## BUDGETING

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

   Management provided us with a copy of the original budget. Management represented that there was no amendments to the budget during the year.

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

   We traced adoption of the original budget to documentation in the minutes of the meeting of the Village's Aldermen. Management represented that there was no amendments to the budget during the year.

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

   We compared the revenues and expenditures of the original budget to actual revenues and expenditures of the Village. Actual revenues exceeded budgeted revenues which resulted in a favorable variance; however actual expenditures exceeded budgeted expenditures by more than the 5% variance allowed.

## ACCOUNTING AND REPORTING

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements, and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and:

   (a) Report whether the six disbursements agree to the amount and the payee in the supporting documentation.

   Each of the six selected disbursements agreed with the amount and payee in the supporting documentation.

(b) Report whether the six disbursements were coded to the correct fund and general ledger account:

Each of the six selected disbursements were coded to the correct fund and general ledger account.

(c) Report whether the six disbursements were approved in accordance with management's policies and procedures.

The Village's policies and procedures state that the Mayor, Daniel Gongre, must approve all disbursements. Documentation supporting each of the six selected disbursements included the approval of the Mayor.

## MEETINGS

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 41:11 through 42:28 (the open meetings law); and report whether there are any exceptions.

Management represented that the Village is only required to post a notice of each meeting and the accompanying agenda on the door of the Town Hall office building. Management has asserted that such documents were properly posted for all meetings.

## DEBT

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

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

## ADVANCES AND BONUSES

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

We scanned payroll disbursements for the fiscal year. We found no payments or approval for payments to employees that would constitute bonuses, advances, or gifts.

## STATE AUDIT LAW

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

The Village's report is due on December 31, 2026, and will be submitted timely.

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

    The Village was in compliance during the fiscal year.

PRIOR YEAR COMMENTS

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

    Our prior year report dated November 3, 2025, noted one finding regarding the failure to properly amend the budget.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to, and did not, conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Village's compliance with the foregoing matters. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the Village's compliance with certain laws and regulation contained in the accompanying Louisiana Attestation Questionnaire, as required by the Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Thomas, Cunningham, Broadway & Todtenbier, CPA's
Natchitoches, Louisiana

September 30, 2026

ATTACHMENTS:
Signed Louisiana Attestation Questionnaire

VILLAGE OF PROVENCAL

LOUISIANA ATTESTATION QUESTIONNAIRE

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

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of June 30, 2026, and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

**Public Bid Law**

It is true that we have complied with the state procurement code (R.S. 39:1551 – 39:1755); the public bid law (R.S. 38:2211-2296), and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes [✓] No [ ] N/A [ ]

**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 [ ] N/A [ ]

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 [ ] N/A [ ]

**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 [✓] N/A [ ]

**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 [ ] N/A [ ]

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

Yes [✓] No [ ] N/A [ ]

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

Yes [✓] No [ ] N/A [ ]

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

Yes [✓] No [ ] N/A [ ]

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 [ ] N/A [ ]

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

Yes [✓] No [ ] N/A [ ]

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

Yes [✓] No [ ] N/A [ ]

We have complied with R.S. 24:515.2 regarding reporting of pre- and post- adjudication court costs, fines and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed, and the amounts received from disbursements.

Yes [✓] No [ ] N/A [ ]

**Meetings**

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

Yes [✓] No [ ] N/A [ ]

**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 [ ] N/A [ ]

**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 [ ] N/A [ ]

**Prior-Year Comments**

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

Yes [ ] No [✓] N/A [ ]

**General**

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

Yes [✓] No [ ] N/A [ ]

We acknowledge that we are responsible for determining that the procedures performed are appropriate for the purposes of this engagement.

Yes [✓] No [ ] N/A [ ]

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

Yes [✓] No [ ] N/A [ ]

We have provided you with all relevant information and access under the terms of our agreement.

Yes [✓] No [ ] N/A [ ]

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

Yes [✓] No [ ] N/A [ ]

We are not aware of any material misstatements in the information we have provided to you.

Yes [✓] No [ ] N/A [ ]

We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others concerning noncompliance with the foregoing laws and regulations, including communications received during the period under examination; and will disclose to you any such communication received between the end of the period under examination and the date of your report.

Yes [✓] No [ ] N/A [ ]

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies all known noncompliance and other events subsequent to the date of this representation and the date of your report that could have a material effect on our compliance with laws and regulations and the internal controls with such laws and regulations or would require adjustment or modification to the results of the agreed-upon procedures.

Yes [✓] No [ ] N/A [ ]

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

Signed by and title

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

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

Mark D. Thomas, CPA - A Professional Corporation
Roger M. Cunningham, CPA - LLC
Jessica H. Broadway, CPA - A Professional Corporation
Ryan E. Todtenbier, CPA - A Professional Corporation

321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
Fax (318) 352-4447
www.tcbtcpa.com

September 30, 2026

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

RE: Management Letter
Review Report - June 30, 2026

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

> LA Revised Statutes require that a budget for the General Fund be amended if actual revenues are less than budgeted revenues by 5% or more, and/or actual expenditures exceed budgeted expenditures by 5% or more. For the year ended June 30, 2026, the Village failed to amend the budget when the actual expenditures were more than budgeted expenditures by more than 5% allowed. We recommend that the Village institute procedures to ensure the budget for the General Fund is amended whenever actual revenues are less than budgeted revenues by more than 5% and/or actual expenditures are more than budgeted expenditures by more than the 5% allowed.

Sincerely,

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier, CPA's

# Village of Provencal

1968 Hwy. 117 • P.O. Box 400 • Provencal, Louisiana 71468-0400
(318) 472-1757 • (318) 472-8767 • Fax (318) 472-8670

Dustin Adcock- Alderman
Joseph Givens - Mayor Pro-Tem

James Dupree- Alderman

Daniel Gongre- Mayor


September 30, 2026

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

RE: Village of Provencal
Review Report – June 30, 2026

The following is our response to the management letter issued to us by the firm Thomas, Cunningham, Broadway & Todtenbier, CPA's for the year ended June 30, 2026.

*Management's Corrective Action Plan*

*Local Government Budget Act* – We will institute procedures to amend the budget when expenditures exceed budgeted expenditures by more than 5%.

Sincerely,

Daniel Gongre, Mayor