
VILLAGE OF NAPOLEONVILLE, LOUISIANA

ANNUAL FINANCIAL REPORT

FOR THE YEAR DECEMBER 31, 2019

VILLAGE OF NAPOLEONVILLE, LOUISIANA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2019

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INDEPENDENT AUDITORS' REPORT

To the Honorable Ron Animashaun, Mayor
and Members of the Village Council
Village of Napoleonville, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, and the major fund of the Village of Napoleonville, Louisiana, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and the major fund of the Village of Napoleonville, Louisiana, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule, schedule of proportionate share of the net pension liability, and schedule of plan contributions on pages 3 through 8 and 38 through 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Napoleonville, Louisiana's basic financial statements. The schedule of compensation, benefits, and other payments to chief executive officer, the schedule of Louisiana Community Development Block Grant (LCDBG) activities, the schedule of sewer customers and rates, aged accounts receivable, insurance in force, and contact information for the Mayor and Board of Alderman is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of compensation, benefits, and other payments to chief executive officer, the schedule of Louisiana Community Development Block Grant (LCDBG) activities, the schedules of sewer customers and rates, aged accounts receivable, insurance in force, and contact information for the Mayor and Board of Alderman are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits and other payments to chief executive officer, the schedule of Louisiana Community Development Block Grant (LCDBG) activities, the schedules of sewer customers and rates, aged accounts receivable, insurance in force, and contact information for the Mayor and Board of Alderman are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2020, on our consideration of the Village of Napoleonville, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village of Napoleonville, Louisiana's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Napoleonville, Louisiana's internal control over financial reporting and compliance.

Diez, Dupuy + Ruiz
Gonzales, Louisiana
June 26, 2020

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS

The section of Village of Napoleonville's (the Village) annual financial report presents a discussion and analysis of the Village's financial performance for the year ended on December 31, 2019. Please read this document in conjunction with the Village's financial statements.

Financial Highlights

- At December 31, 2019, the Village's combined total assets plus deferred outflows of resources exceeded its liabilities plus deferred inflows of resources by \$3,046,156 (net position). Net position of the governmental activities was \$385,990 while the business-type activities was \$2,660,166.
- For the year ended December 31, 2019, the Village's total net position decreased by \$117,061.
- At December 31, 2019, the Village's governmental activities reported net position of \$385,990. Of this amount, \$54,230 is available for spending at the Village's discretion (unrestricted net position).
- At December 31, 2019, the Village's business-type activity reported net position of \$2,660,166. Of this amount \$52,684 is available for spending at the Village's discretion (unrestricted net position).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements comprise of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

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

The **Statement of Net Position** presents information on the Village's assets and liabilities using the accrual basis of accounting, in a manner similar to the accounting used by private business enterprises. The difference between the assets and liabilities is reported as net position. Over time, the increases in net position and changes in the components of net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The **Statement of Activities** presents information showing how the Village's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenue and expenses reported in this statement for some items will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused annual leave).

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS

In both of the government-wide financial statements, the Village's activities are divided into two types:

- Governmental activities – Most of the Village's basic services are reported here, including the general government, public safety, streets and drainage, sanitation, and culture and recreation. These activities are financed primarily by property taxes, franchise taxes, sales taxes, and fines.
- Business-type activities – the Village charges fees to customers to help it cover the costs of certain services it provides. The Village's sewer system services are included here.

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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. The Village uses two categories of funds to account for financial transactions: governmental funds and proprietary funds. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar.

- Governmental funds are used to account for most of the Village's basic services. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances that are left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Village's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs.
- Proprietary funds account for sewer utility services provided by the Village to its customers. Proprietary funds statements provide the same type of information as the government-wide financial statements, but the fund presentation provides more detail.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, there are differences in the information presented for government funds and for governmental activities in the government-wide financial statements. Review of these differences provides the reader of the financial statements insight on the long-term impact of the Village's more immediate decisions on the current use of financial resources. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Change in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Financial Analysis of the Village as a Whole

Net Position. The Village's combined net position decreased between fiscal years 2019 and 2018 from approximately \$3.16 million to approximately \$3.05 million.

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS

Village's Net Position
December 31, 2019

	Governmental Activities		Business-Type Activities	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current and other assets	\$ 161,970	\$ 165,082	\$ 56,989	\$ 58,595
Restricted cash	-	-	125,225	122,449
Capital assets, net	315,034	374,025	3,167,501	3,220,262
Total Assets	<u>447,004</u>	<u>539,107</u>	<u>3,349,715</u>	<u>3,401,306</u>
Deferred outflows of resources	<u>10,904</u>	<u>14,577</u>	-	-
Total assets and deferred outflows of resources	<u>457,908</u>	<u>553,684</u>	<u>3,349,715</u>	<u>3,401,306</u>
Current liabilities	7,357	10,877	30,820	30,340
Long-term liabilities	<u>60,596</u>	<u>62,778</u>	<u>658,729</u>	<u>685,306</u>
Total Liabilities	<u>67,953</u>	<u>73,655</u>	<u>689,549</u>	<u>715,646</u>
Deferred inflows of resources	<u>3,965</u>	<u>2,472</u>	-	-
Total liabilities and deferred inflows of resources	<u>71,918</u>	<u>76,127</u>	<u>689,549</u>	<u>715,646</u>
Net investment in capital assets	315,034	374,025	2,482,257	2,509,832
Restricted for:				
Other purposes	16,726	16,726	-	-
Debt service	-	-	125,225	122,449
Unrestricted	<u>54,230</u>	<u>86,806</u>	<u>52,684</u>	<u>53,379</u>
Total Net Position	<u>\$ 385,990</u>	<u>\$ 477,557</u>	<u>\$ 2,660,166</u>	<u>\$ 2,685,660</u>

The largest portion of the Village's net position reflects its investment in capital assets (land, buildings, equipment, infrastructure, and improvements) net of any outstanding related debt used to acquire those capital assets. These capital assets are used to provide services to citizens and do not represent resources available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

The total net position of the Village's governmental activities decreased by approximately \$92,000 and the business-type activities decreased by approximately \$25,000 during 2019. Governmental activities unrestricted net position, which decreased by approximately \$33,000, represents the portion of the Village's resources that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements.

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS

Revenues for the Village's governmental activities decreased 9.0 percent while the expenses increased by 1.5 percent. The Village's business-type activities revenues increased 62.1 percent and expenses decreases 3.4 percent for the current year. The governmental activities revenues generated for the 2019 and 2018 years did not cover the total cost of operations. The business-type activities revenue generated for the 2019 and 2018 years did not cover the total cost of operations, as depicted below.

Changes in Village's Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Program revenues	\$ 67,108	\$ 93,101	\$ 193,248	\$ 118,577
General revenues	267,937	274,964	3,007	2,508
Total revenues	335,045	368,065	196,255	121,085
Operating expenses	426,612	420,158	221,749	229,484
Decrease in net position	<u>\$ (91,567)</u>	<u>\$ (52,093)</u>	<u>\$(25,494)</u>	<u>\$(108,399)</u>

Financial Analysis of the Village's Funds

As the Village completed the year, its governmental fund reported a fund balance of \$124,613, a decrease from last year of \$29,592 or 19.2 percent.

Governmental Funds

The focus of the Village's general fund, its only governmental fund, is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Village's net resources available for spending at the end of the year. At the end of the current year, the Village's governmental funds reported a fund balance of \$124,613, all of which is unassigned and available for spending at the Village's discretion. The following schedule presents a summary of governmental fund revenues and expenditures for the year ended December 31, 2019, and the amount and percentage of increases and decreases in relation to the prior year.

<u>Revenues</u>	<u>2019</u> <u>Amount</u>	<u>Percent</u> <u>of Total</u>	<u>2018</u> <u>Amount</u>	<u>Increase</u> <u>(Decrease)</u> <u>from 2018</u>	<u>Percent</u> <u>Increase</u> <u>(Decrease)</u>
Taxes	\$ 180,586	54.1%	\$ 192,138	\$(11,552)	(6.0%)
Grants	1,000	0.3%	25,360	(24,360)	(96.1%)
Charges for services	57,195	17.1%	56,394	801	1.4%
Fines and forfeitures	2,058	0.6%	447	1,611	360.4%
Licenses and permits	79,765	23.9%	78,513	1,252	1.6%
Rental income	6,855	2.1%	10,900	(4,045)	(37.1%)
Interest	695	0.2%	597	98	16.4%
Miscellaneous	5,684	1.7%	2,462	3,222	130.9%
Total Revenues	<u>\$ 333,838</u>	<u>100.0%</u>	<u>\$ 366,811</u>	<u>\$(32,973)</u>	

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS

Expenditures	2019 Amount	Percent of Total	2018 Amount	Increase (Decrease) from 2018	Percent Increase (Decrease)
General Government	\$ 192,483	53.1%	\$ 184,221	\$ 8,262	4.5%
Public Safety	50,276	13.8%	50,338	(62)	(0.1%)
Streets and drainage	47,031	12.9%	41,819	5,212	12.5%
Sanitation	59,725	16.4%	58,200	1,525	2.6%
Culture and recreation	13,915	3.8%	16,383	(2,468)	(15.1%)
Capital outlays	-	-%	31,261	(31,261)	(100.0%)
Total Expenditures	\$ 363,430	100.0%	\$ 382,222	\$ (18,792)	

Proprietary Funds

The Village's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

General Fund Budgetary Highlights

Over the course of the year, the Village's General Fund budget was amended. The amendment of the operating budget is customary practice of the Village and reflective of the financial changes that occur throughout the year. The most significant reasons for the budget amendment during 2019 are as follows:

- A decrease in intergovernmental revenues by \$25,000.
- A decrease in public safety expenditures by \$5,850.
- An increase in streets and drainage expenditures by \$11,900.
- A decrease in capital outlay expenditures by \$10,000.

Budgeted revenues exceeded actual amounts by \$18,662. Budgeted expenditures exceeded actual amounts by \$5,580.

Capital Assets

The Village's net investment in capital assets for its governmental and business-type activities as of December 31, 2019 amounts to \$3,482,535.

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Land	\$ 88,500	\$ 88,500	\$ -	\$ -	\$ 88,500	\$ 88,500
Construction in progress	-	-	53,070	-	53,070	-
Buildings and improvements	97,258	106,045	-	-	97,258	106,045
Vehicles	3,413	3,413	-	-	3,413	3,413
Equipment	31,672	65,932	-	-	31,672	65,932
Infrastructure	94,191	110,135	-	-	94,191	110,135
Utility property	-	-	3,114,431	3,220,262	3,114,431	3,220,262
Totals	\$ 315,034	\$ 374,025	\$ 3,167,501	\$ 3,220,262	\$ 3,482,535	\$ 3,594,287

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS

Long-Term Liabilities

At December 31, 2019, the Village has total long-term liabilities of \$685,244. Of this total, \$26,515 is due within one year.

December 31, 2019

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
Governmental Activities:				
Net pension liability	\$ 42,234	\$ 4,191	\$ 6,373	\$ 40,052
Compensated absences	3,818	-	-	3,818
Claims payable	16,726	-	-	16,726
Business-type activities:				
USDA loans	<u>710,430</u>	<u>-</u>	<u>25,186</u>	<u>685,244</u>
Total long-term liabilities	<u>\$ 773,208</u>	<u>\$ 4,191</u>	<u>\$ 31,559</u>	<u>\$ 745,840</u>

Other Factors Affecting the Village

The Village of Napoleonville's management approach is conservative. When possible, the Mayor and Alderman attempt to provide services for the Village based on existing revenues and to finance long-term projects only when absolutely necessary. The Village also attempts to keep sewer rates at the minimum required to cover the costs of the sewer system operations.

Economic Factors and Next Year's Budget

The Village is dependent on taxes for 55% of its revenues and licenses and permits for 21%. The Village's next year's revenues are budgeted consistent with the current year's final budgeted revenues with the exception of the increase in budgeted sales taxes and state grants expected to be received in 2020. Budgeted expenditures are expected to increase attributed to the increase for salaries and capital outlay for 2020.

Subsequent to the adoption of the Village's December 31, 2020 budget, the COVID-19 outbreak in the United States has caused business disruption through mandatory and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. However, the related financial impact and duration cannot be reasonably estimated at this time. The Village intends to amend its budget to reflect the financial impact, as deemed necessary, in accordance with budget laws.

Contacting the Village's Financial Management

This financial report is designed to provide the Village's citizens, taxpayers, customers, and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. Questions regarding this report or requests for additional information should be addressed to the Village of Napoleonville, 123 Jefferson Street, Napoleonville, LA 70390, telephone (985) 369-6365.

VILLAGE OF NAPOLEONVILLE
STATEMENT OF NET POSITION
DECEMBER 31, 2019

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Current Assets:			
Cash and cash equivalents	\$ 95,125	\$ 61,366	\$ 156,491
Accounts receivables:			
Ad valorem taxes	6,769	-	6,769
Sales taxes	5,397	-	5,397
Garbage assessment	4,743	-	4,743
Franchise fees	4,119	-	4,119
Other	356	11,084	11,440
Internal balances	15,461	(15,461)	-
Total Current Assets	<u>131,970</u>	<u>56,989</u>	<u>188,959</u>
Non-current Assets:			
Restricted cash	-	125,225	125,225
Capital assets:			
Non-depreciable	-	53,070	53,070
Depreciable, net of accumulated depreciation	315,034	3,114,431	3,429,465
Total Non-current Assets	<u>315,034</u>	<u>3,292,726</u>	<u>3,607,760</u>
Total Assets	<u>447,004</u>	<u>3,349,715</u>	<u>3,796,719</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension related	10,904	-	10,904
Total Deferred Outflows of Resources	<u>10,904</u>	<u>-</u>	<u>10,904</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 457,908</u>	<u>\$ 3,349,715</u>	<u>\$ 3,807,623</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	\$ 1,928	\$ 1,781	\$ 3,709
Accrued liabilities	5,429	2,524	7,953
Current portion of long-term debt	-	26,515	26,515
Total Current Liabilities	<u>7,357</u>	<u>30,820</u>	<u>38,177</u>
Non-current liabilities:			
Claims payable	16,726	-	16,726
Compensated absences	3,818	-	3,818
Net pension liability	40,052	-	40,052
Long-term debt	-	658,729	658,729
Total Non-current Liabilities	<u>60,596</u>	<u>658,729</u>	<u>719,325</u>
Total Liabilities	<u>67,953</u>	<u>689,549</u>	<u>757,502</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension related	3,965	-	3,965
Total Deferred Inflows of Resources	<u>3,965</u>	<u>-</u>	<u>3,965</u>
<u>NET POSITION</u>			
Net investment in capital assets	315,034	2,482,257	2,797,291
Restricted for:			
Other purposes	16,726	-	16,726
Debt service	-	125,225	125,225
Unrestricted	54,230	52,684	106,914
Total net position	<u>385,990</u>	<u>2,660,166</u>	<u>3,046,156</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 457,908</u>	<u>\$ 3,349,715</u>	<u>\$ 3,807,623</u>

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

VILLAGE OF NAPOLEONVILLE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<u>Activities</u>							
Governmental:							
General government	\$ 202,419	\$ -	\$ 1,000	\$ -	\$ (201,419)	\$ -	\$ (201,419)
Public safety	67,705	2,058	-	-	(65,647)	-	(65,647)
Streets and drainage	79,295	-	-	-	(79,295)	-	(79,295)
Sanitation	59,725	57,195	-	-	(2,530)	-	(2,530)
Culture and recreation	17,468	6,855	-	-	(10,613)	-	(10,613)
Total governmental activities	<u>426,612</u>	<u>66,108</u>	<u>1,000</u>	<u>-</u>	<u>(359,504)</u>	<u>-</u>	<u>(359,504)</u>
Business-type:							
Utility	221,749	115,178	-	78,070	-	(28,501)	(28,501)
Total business-type activities	<u>221,749</u>	<u>115,178</u>	<u>-</u>	<u>78,070</u>	<u>-</u>	<u>(28,501)</u>	<u>(28,501)</u>
Total Primary Government	<u>\$ 648,361</u>	<u>\$ 181,286</u>	<u>\$ 1,000</u>	<u>\$ 78,070</u>	<u>(359,504)</u>	<u>(28,501)</u>	<u>(388,005)</u>
General Revenues:							
Taxes					180,586	-	180,586
Licenses and permits					79,765	-	79,765
Interest					695	3,007	3,702
Miscellaneous					5,684	-	5,684
Contributions from non-employer contributing entities					1,207	-	1,207
Total general revenues					<u>267,937</u>	<u>3,007</u>	<u>270,944</u>
Change in net position					(91,567)	(25,494)	(117,061)
Net position - beginning					<u>477,557</u>	<u>2,685,660</u>	<u>3,163,217</u>
Net position - ending					<u>\$ 385,990</u>	<u>\$ 2,660,166</u>	<u>\$ 3,046,156</u>

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

VILLAGE OF NAPOLEONVILLE
BALANCE SHEET
GOVERNMENTAL FUND
DECEMBER 31, 2019

ASSETS

Cash and cash equivalents	\$	95,125
Accounts receivables:		
Ad valorem taxes		6,769
Sales taxes		5,397
Garbage assessment		4,743
Franchise fees		4,119
Other		356
Due from other funds		15,461
Total assets	\$	<u>131,970</u>

LIABILITIES

Accounts payable	\$	1,928
Accrued liabilities		5,429
Total liabilities		<u>7,357</u>

FUND BALANCE

Unassigned		124,613
Total fund balance		<u>124,613</u>

Total liabilities and fund balance	\$	<u>131,970</u>
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The accompanying notes are an integral part of this financial statement.

VILLAGE OF NAPOLEONVILLE
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2019

Total fund balance - Governmental Fund		\$ 124,613
Amounts reported for governmental activities in the statement of net position are different because:		
Deferred outflows-pension related		10,904
Capital assets used in governmental activities that are not financial resources and, therefore, are not reported in the governmental funds:		
Cost of capital assets at December 31, 2019	\$ 1,502,346	
Less: accumulated depreciation as of December 31, 2019	<u>(1,187,312)</u>	315,034
Long-term liabilities applicable to the Village's governmental activities are not due and payable in the current period and accordingly are not reported in the governmental fund.		
Claims payable		(16,726)
Compensated absences		(3,818)
Net pension liability		(40,052)
Deferred inflows-pension related		<u>(3,965)</u>
Total net position at December 31, 2019 - Governmental Activities		<u>\$ 385,990</u>

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

VILLAGE OF NAPOLEONVILLE
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
YEAR ENDED DECEMBER 31, 2019

REVENUES

Taxes	\$	180,586
Intergovernmental revenue:		
State and local grants		1,000
Charges for services		57,195
Fines and forfeitures		2,058
Licenses and permits		79,765
Rental income		6,855
Investment income		695
Miscellaneous		5,684
Total revenues		<u>333,838</u>

EXPENDITURES

Current:		
General government		192,483
Public safety		50,276
Streets and drainage		47,031
Sanitation		59,725
Culture and recreation		13,915
Total expenditures		<u>363,430</u>
Deficiency of revenues over expenditures		(29,592)
Fund Balance, Beginning of Year		154,205
Fund Balance, End of Year	<u>\$</u>	<u>124,613</u>

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

VILLAGE OF NAPOLEONVILLE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND TO CHANGES
IN NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2019

Net change in fund balance - Governmental fund \$ (29,592)

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

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

Capital Assets:

Capital outlay capitalized	\$ -	
Depreciation expense for the year ended December 31, 2019	(58,991)	(58,991)

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

Net effect of change in net position liability and deferrals	(4,191)
Contributions from non-employer contributing entities	1,207

Change in net position of governmental activities \$ (91,567)

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

VILLAGE OF NAPOLEONVILLE
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2019

ASSETS

Current assets:		
Cash and cash equivalents	\$	61,366
Accounts receivable, net		11,084
Total Current Assets		<u>72,450</u>
Non-current assets:		
Restricted cash		125,225
Capital assets:		
Non-depreciable		53,070
Depreciable, net of accumulated depreciation		3,114,431
Total Non-Current Assets		<u>3,292,726</u>
 Total Assets	 \$	 <u><u>3,365,176</u></u>

LIABILITIES

Current liabilities:		
Accounts payable	\$	1,781
Accrued interest payable		2,524
Due to general fund		15,461
Current portion of long-term debt		26,515
Total Current Liabilities		<u>46,281</u>
Non-current liabilities:		
Long-term debt		658,729
Total Non-Current Liabilities		<u>658,729</u>
 Total Liabilities		 <u>705,010</u>

NET POSITION

Net investment in capital assets		2,482,257
Restricted		125,225
Unrestricted		52,684
Total Net Position		<u>2,660,166</u>
 Total Liabilities and Net Position	 \$	 <u><u>3,365,176</u></u>

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

VILLAGE OF NAPOLEONVILLE
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2019

OPERATING REVENUES	
Charges for service	\$ 115,178
Total operating revenues	115,178
 OPERATING EXPENSES	
Health and welfare	52,381
Depreciation	136,140
Total operating expenses	188,521
 OPERATING LOSS	 (73,343)
 NONOPERATING REVENUES (EXPENSES)	
Interest income	3,007
Interest expense	(33,228)
Total non-operating revenues	(30,221)
Loss before capital grants and contributions	(103,564)
 CAPITAL GRANTS AND CONTRIBUTIONS	 78,070
Change in net position	(25,494)
 Total net position - beginning	 2,685,660
 Total net position - ending	 \$ 2,660,166

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

VILLAGE OF NAPOLEONVILLE
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 115,531
Payments for goods and services	(53,292)
Net cash provided by operating activities	62,239

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income	3,007
Net cash provided by investing activities	3,007

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

Capital grants and contributions	78,070
Capital asset additions	(83,379)
Payments on debt obligations	(25,186)
Interest payments on debt obligations	(33,228)
Net cash used in capital and related financing activities	(63,723)

Net increase in cash and cash equivalents 1,523

Cash and cash equivalents - December 31, 2018	185,068
Cash and cash equivalents - December 31, 2019	\$ 186,591

RECONCILIATION OF CASH

Cash and cash equivalents	\$ 61,366
Restricted cash	125,225
	\$ 186,591

CASH FLOWS FROM OPERATING ACTIVITIES

Operating loss	\$ (73,343)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	136,140
Change in assets and liabilities	
Decrease in accounts receivable	353
Decrease in accounts payable	(911)
Net cash provided by operating activities	\$ 62,239

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

VILLAGE OF NAPOLEONVILLE

Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Village of Napoleonville, Louisiana (the “Village”) was incorporated under the provisions of the Lawrason Act (LSA-RS 33:321). The Village operates under a Mayor-Board of Aldermen Council form of government. The Mayor and each of the three aldermen are elected at-large for four-year terms. The Mayor and Aldermen are compensated per diem for each meeting attended; in addition, the Mayor receives a salary. The estimated population is 686. The Village provides police protection, services to maintain and develop streets, drainage, and sanitation, general and administrative services, and utilities services for area residents. The Village provides sewer services to customers inside and outside of the Village limits. The Village employs 1 full-time employee in addition to the Mayor and Board of Aldermen.

As the municipal governing authority, for reporting purposes, the Village of Napoleonville is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (municipality), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which 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.

Code Section 2100 of GASB’s Codification of Governmental Accounting and Financial Reporting Standards established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the Village is considered a primary government, since it is a special purpose government that has separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. Fiscally independent means that the Village may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded det. There are no other component units which the Village of Napoleonville has an oversight relationship.

Government-Wide and Fund 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 nonfiduciary activities of the primary government. 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are 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 instead as general revenues.

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are presented as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. 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 revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and 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 or 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 period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only when payment is due.

Sales taxes, property taxes, franchise taxes, licenses, 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. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Village reports the following major governmental fund:

The *General Fund* is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in other funds.

The Village reports the following major proprietary fund:

The *Enterprise Fund* accounts for operations (a) that are financed and operated in a manner similar to private business enterprise 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 be financed or recovered primarily through user fees, 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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule, if applicable, are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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 revenues of the proprietary funds are user charges for the services provided by the enterprise fund. Operating expenses for the enterprise 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.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and Cash Equivalents

The Village's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the Village of Napoleonville, Louisiana to invest in United States bonds, treasury notes and bills and other certificate or time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advantages to/from other funds" (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Property and Sales Tax

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

	<u>Authorized Millage</u>	<u>Levied Millage</u>
General Purposes	6.62	6.62
Maintenance Purposes	7.02	7.02

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Sales Tax (continued)

Sales Taxes are levied at 1% percent. The proceeds of this sales and use tax are dedicated to general purposes.

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 if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Village maintains a threshold level of \$500 or more for capitalizing capital assets.

Historically, a government's largest group of assets, infrastructure assets (roads, bridges, street lighting, etc.) have not been reported nor depreciated in governmental financial statements. As a Phase III government, the Village of Napoleonville is not required to retroactively report infrastructure in the Statement of Net Position under the guidance of the Governmental Accounting Standards Board. The Village is however required to disclose in the notes to the financial statements any infrastructure items that were omitted from the financial statements. As of December 31, 2019, none of the roads, bridges or street lighting contained within the village corporate limits were included in the Statement of Net Position.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend their lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

Buildings and Improvements	20 - 40 Years
Infrastructure	25 Years
Vehicles and Equipment	5 - 15 Years
Sewer and Utility System	20 - 40 Years

Compensated Absences

In the government-wide financial statements, the Village employee's leave is recorded as a long-term liability. Employees earn from 12 to 24 days of vacation leave each year depending on length of service. Vacation leave vest and is accumulated at year-end. Employees may accumulate sick leave at a rate of one day per month. Sick leave may be accumulated but does not vest.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the governmental fund when leave is taken.

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Long-Term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financial sources while discounts on debt issuances are reported as other financial uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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 and expenses during the reporting period. Actual results could differ from those estimates.

Fund Equity

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below:

Nonspendable – represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted – represents balances where constraints have been established by parties outside the Village or imposed by law through constitutional provisions or enabling legislation.

Committed – represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Village's highest level of decision-making authority.

Assigned – represents balances that are constrained by the Village's intent to be used for specific purposes, but are not restricted nor committed.

Unassigned – represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position in the Government-Wide Financial Statements

For the government-wide statement of net position, the net position amount is classified and displayed in three components:

- Net investment in capital assets – This component 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 capital assets.
- Restricted net position – This component consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, laws, regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position – This component consists of all other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

When expenditures are incurred for the purposes for which both restricted and unrestricted amounts are available, the Village will reduce restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned and unassigned amounts are available, the Village will reduce committed amounts first, followed by assigned amounts, and then unassigned amounts.

Certain proceeds of the Enterprise Fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets because their use is limited by applicable debt covenants.

Reconciliations of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position is presented on page 12 of the basic financial statements. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities is presented on page 14 of the basic financial statements.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then.

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Outflows/Inflows of Resources (continued)

The Village has one item that qualifies for this category; pension related deferrals, which is reported in the government-wide statement.

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

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The Village uses the following budget practices:

1. The Village Clerk prepares a proposed budget and submits to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving the increase in expenditures resulting from revenues exceeding amounts estimated, require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for the general and enterprise funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets for enterprise funds are presented on the accrual basis of accounting. Other governmental funds are presented on the modified accrual basis of accounting. Accordingly, the budgetary comparison schedules present actual expenditures in accordance with the accounting principles generally accepted in the United States on a basis consistent with the legally adopted budgets as amended. All budgetary amounts presented reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 3 – CASH AND CASH EQUIVALENTS

At December 31, 2019, the Village has cash and cash equivalents (book balances) totaling \$281,716 as follows:

	Cash	Restricted Cash	Total
Demand Deposits	\$ 116,441	\$ -	\$ 116,441
LAMP	40,050	125,225	165,275
	\$ 156,491	\$ 125,225	\$ 281,716

These deposits are stated at cost, which approximates market value. 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 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.

At December 31, 2019, the Village has \$120,173 in demand deposits (collected bank balances). These deposits are secured from risk by \$120,173 of federal deposit insurance.

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

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

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

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.

VILLAGE OF NAPOLEONVILLE

Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 3 – CASH AND CASH EQUIVALENTS (continued)

- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 92 days as of December 31, 2019.

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

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

Certain cash and cash equivalents are restricted in that they comprise reserves that are required to be maintained under various bond indentures. See Note 5.

NOTE 4 – RECEIVABLES

In the government-wide statements, receivables consist of all revenues earned as year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the period aging and write-off of accounts receivable. Major receivable balances for the governmental activities include sales taxes, ad valorem taxes, franchise taxes, occupational licenses, fines, and grants. Business-type activities report utilities earnings as their major receivable.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, ad valorem taxes, franchise taxes, occupational licenses, fines, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Ad valorem taxes are recorded only if paid within 60 days since they would be considered both measurable and available. Proprietary fund revenues consist of all revenues earned at year-end and not yet received. Utility accounts receivable comprise the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging and write-off of accounts receivable. As of December 31, 2019, management believes all receivables are collectible and no allowance has been recorded in the current year.

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 5 – RESTRICTED ASSETS AND RESTRICTED NET POSITION

Under the terms of the USDA loan agreements, the Village is to make monthly deposits into a Bond and Interest Sinking Fund, a Reserve Fund (5% of the annual debt payment) and Depreciation & Contingency Fund (5% of the annual debt payment). As of December 31, 2019, the status of these accounts is as follows:

	Cash on Deposit	Amounts Required Per USDA
Bond reserve fund	\$ 62,295	\$ 61,388
Bond depreciation and contingency fund	62,930	62,405
Total	\$ 125,225	\$ 123,793

NOTE 6 – LONG-TERM LIABILITIES

The following is a summary of long-term obligation transactions for the year ended December 31, 2019:

	Balance			Balance	Due
	12/31/2018	Additions	Reductions	12/31/2019	Within One Year
Governmental Activities					
Net Pension liability	\$ 42,234	\$ 4,191	\$ 6,373	\$ 40,052	\$ -
Compensated absences	3,818	-	-	3,818	
Claims Payable	16,726	-	-	16,726	-
<u>Total governmental funds</u>	62,778	4,191	6,373	60,596	-
Proprietary Fund					
1989 Sewer Revenue Bond	171,607	-	12,557	159,050	13,325
2001 Sewer Revenue Bond	250,760	-	6,890	243,870	7,204
2006 Sewer Revenue Bond	288,063	-	5,739	282,324	5,986
<u>Total proprietary fund</u>	710,430	-	25,186	685,244	26,515
Total long-term debt	\$ 773,208	\$ 4,191	\$ 31,559	\$ 745,840	\$ 26,515

Business-Type Activities

\$336,500 Sewer Revenue Bond secured by a pledge of sewer revenues, due in monthly installments of \$1,876 through December 11, 2029; interest 6.0%	\$ 159,050
\$331,000 Sewer Revenues bond secured by a pledge of sewer revenues, due in monthly installments of \$1,503 through December 3, 2041; interest 4.5%	243,870
\$340,000 Sewer Revenue Bond secured by a pledge of sewer revenues, due in monthly installments of \$1,489 through March 3, 2046; interest at 4.25%	282,324
Total long-term debt from business-type activities	\$ 685,244

VILLAGE OF NAPOLEONVILLE

Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 6 – LONG-TERM OBLIGATIONS (continued)

The annual requirements to amortize all debt outstanding at December 31, 2019, are as follows:

	USDA - 1989		USDA - 2001		USDA - 2006		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Total Principal	Total Interest
2020	\$ 13,325	\$ 9,186	\$ 7,204	\$ 10,829	\$ 5,986	\$ 11,884	\$ 26,515	\$ 31,899
2021	14,152	8,359	7,537	10,496	6,247	11,623	27,936	30,478
2022	15,025	7,486	7,883	10,150	6,517	11,353	29,425	28,989
2023	15,952	6,559	8,245	9,788	6,800	11,070	30,997	27,417
2024	16,936	5,575	8,624	9,409	7,095	10,775	32,655	25,759
2025 – 2029	83,660	11,234	49,441	40,723	40,360	48,992	173,461	100,949
2030 – 2034	-	-	61,890	28,274	49,897	39,455	111,787	67,729
2035 – 2039	-	-	77,473	12,691	61,688	27,664	139,161	40,355
2040 – 2044	-	-	15,573	341	76,265	13,087	91,838	13,428
2045 – 2046	-	-	-	-	21,469	607	21,469	607
	<u>\$159,050</u>	<u>\$48,399</u>	<u>\$243,870</u>	<u>\$132,701</u>	<u>\$282,324</u>	<u>\$186,510</u>	<u>\$685,244</u>	<u>\$367,610</u>

NOTE 7 – CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2019 for governmental activities is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 88,500	\$ -	\$ -	\$ 88,500
Total Capital Assets Not Being Depreciated	<u>88,500</u>	<u>-</u>	<u>-</u>	<u>88,500</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	670,394	-	-	670,394
Infrastructure	380,880	-	-	380,880
Vehicles	54,613	-	-	54,613
Equipment	307,959	-	-	307,959
Total Capital Assets Being Depreciated	<u>1,413,846</u>	<u>-</u>	<u>-</u>	<u>1,413,846</u>
Less Accumulated Depreciation for:				
Buildings and improvements	(564,349)	(8,787)	-	(573,136)
Infrastructure	(270,745)	(15,944)	-	(286,689)
Vehicles	(51,200)	-	-	(51,200)
Equipment	(242,027)	(34,260)	-	(276,287)
Total Accumulated Depreciation	<u>(1,128,321)</u>	<u>(58,991)</u>	<u>-</u>	<u>(1,187,312)</u>
Capital Assets Being Depreciated, Net	<u>285,525</u>	<u>(58,991)</u>	<u>-</u>	<u>226,534</u>
Governmental Activities Capital Assets, Net	<u>\$ 374,025</u>	<u>\$ (58,991)</u>	<u>\$ -</u>	<u>\$ 315,034</u>

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 7 – CAPITAL ASSETS (continued)

Depreciation expense was charged to the function of the primary government as follows:

Governmental activities:	
General government	\$ 5,745
Public safety – police	17,429
Streets and drainage	32,264
Culture and recreation	<u>3,553</u>
Total depreciation expense – governmental activities	<u>\$ 58,991</u>

Capital assets and depreciation activity as of and for the year ended December 31, 2019 for business-type activities is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated:				
Construction in progress	\$ -	\$ 53,070	\$ -	\$ 53,070
Total Capital Assets Not Being Depreciated	<u>-</u>	<u>53,070</u>	<u>-</u>	<u>53,070</u>
Capital Assets Being Depreciated:				
Sewer Utility System	\$ 1,185,680	\$ -	\$ -	\$ 1,185,680
Improvements	4,091,722	30,309	-	4,122,031
Equipment	16,361	-	-	16,361
Total Capital Assets Being Depreciated	<u>5,293,763</u>	<u>30,309</u>	<u>-</u>	<u>5,324,072</u>
Less Accumulated Depreciation for:				
Sewer System	(1,007,828)	(29,642)	-	(1,037,470)
Improvements	(1,049,312)	(106,498)	-	(1,155,810)
Equipment	(16,361)	-	-	(16,361)
Total Accumulated Depreciation	<u>(2,073,501)</u>	<u>(136,140)</u>	<u>-</u>	<u>(2,209,641)</u>
Capital Assets Being Depreciated, Net	<u>3,220,262</u>	<u>(105,831)</u>	<u>-</u>	<u>3,114,431</u>
Business-Type Activities Capital Assets, net	<u>\$ 3,220,262</u>	<u>\$ (52,761)</u>	<u>\$ -</u>	<u>\$ 3,167,501</u>

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 8 – INTERFUND RECEIVABLES / PAYABLES

The following is a detailed list of interfund balances reported in the fund financial statements on December 31, 2019:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 15,461	\$ -
Enterprise Fund	-	15,461
	<u>\$ 15,461</u>	<u>\$ 15,461</u>

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

NOTE 9 – PENSION AND RETIREMENT PLANS

The Village of Napoleonville (the Village) is a participating employer in a cost-sharing defined benefit pension plan. This plan is administered by the Municipal Employees' Retirement System of Louisiana (MERS). Article X, Section 29 (F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of these plans to the State Legislature. The system is administered by a separate board of trustees.

Municipal Employees' Retirement System of Louisiana (MERS) issues an annual publicly available financial report that includes financial statements and required supplementary information for the system. These reports may be obtained by writing, calling or downloading the report as follows:

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

The Village implemented Government Accounting Standards Board (GASB) Statement 68 on Accounting and Financial Reporting for Pensions and Statement 71 on Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB 68. These standards require the Village to record its proportional share of each of the pension plans Net Pension Liability and report the following disclosures:

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 9 – PENSION AND RETIREMENT PLANS (continued)

Plan Descriptions:

Municipal Employees' Retirement System of Louisiana (MERS)

The Municipal Employees' Retirement System of Louisiana (MERS) is the administrator of a cost sharing multiple-employer defined benefit pension plan. The System was originally established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana. The System provides retirement benefits to employees of all incorporated villages, towns and cities within the State which do not have their own retirement system and which elect to become members of the System. For the year ended June 30, 2019, there were 87 contributing municipalities in Plan A and 67 in Plan B. The Village of Napoleonville is a participant in Plan B only.

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

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

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

1. Any age with thirty (30) or more years of credible service.
2. Age 60 with a minimum of ten (10) or more years credible service.

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

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

Generally, the monthly amount of the retirement allowance for any member of Plan B shall consist of an amount equal to two percent of the member's monthly average final compensation multiplied by his years of credible service. Final compensation is the average monthly earnings during the highest sixty consecutive months or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 9 – PENSION AND RETIREMENT PLANS (continued)

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

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

For Plan B, a member shall be eligible to retire and receive a disability benefit if he has at least ten years of creditable service, is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan B shall be paid a disability benefit equal to the lesser of (1) an amount equal to two percent of his final compensation multiplied by his years of creditable service, but not less than thirty percent of his final compensation, or (2) an amount equal to what the member's normal retirement benefit would be based on the member's current final compensation, but assuming the member remained in continuous service until his earliest normal retirement age and using those retirement benefit computation factors which would be applicable to the member's normal retirement.

Funding Policy

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

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 9 – PENSION AND RETIREMENT PLANS (continued)

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

	Village	Employees
Municipal Employees' Retirement System Plan B		
All employees	14.0%	5.0%

The contribution made to the Municipal Employees' Retirement System for the past three fiscal years, which equaled the required contributions for each of these years, were as follows:

	2019	2018	2017
Municipal Employees' Retirement System Plan B	\$ 4,900	\$ 4,814	\$ 4,129

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

The following schedule lists the Village's proportionate share of the Net Pension Liability allocated by each of the pension plans for based on the June 30, 2019 measurement date. The Village uses this measurement to record its Net Pension Liability and associated amounts as of December 31, 2019 in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at June 30, 2019 along with the change compared to the June 30, 2018 rate. The Village's proportion of the Net Pension Liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

	Net Pension Liability at June 30, 2019	Rate at June 30, 2019	Decrease on June 30, 2018 Rate
Municipal Employees' Retirement System Plan B	\$ 40,052	0.0458%	(0.0041%)
	\$ 40,052		

The following schedule list the pension plan's recognized pension expense of the Village for the year ended December 31, 2019:

Municipal Employees' Retirement System Plan B		Total
		\$ 4,191
		\$ 4,191

VILLAGE OF NAPOLEONVILLE

Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 9 – PENSION AND RETIREMENT PLANS (continued)

At December 31, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (1,775)
Changes of assumptions	2,441	-
Net difference between projected and actual earnings on pension plan investments	4,219	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	1,794	(2,190)
Employer contributions subsequent to the measurement date	2,450	-
Total	<u>\$ 10,904</u>	<u>\$ (3,965)</u>

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Municipal Employees' Retirement System Plan B	<u>\$ 10,904</u>	<u>\$ (3,965)</u>
	<u>\$ 10,904</u>	<u>\$ (3,965)</u>

The Village reported a total of \$2,450 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2019 which will be recognized as a reduction in Net Pension Liability in the year ended December 31, 2019. The following schedule list the pension contributions made subsequent to the measurement period for each pension plan:

	<u>Subsequent Contributions</u>
Municipal Employees' Retirement System Plan B	<u>\$ 2,450</u>
	<u>\$ 2,450</u>

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

Year	MERS
2020	\$ 3,213
2021	355
2022	558
2023	363
	<u>\$ 4,489</u>

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 9 – PENSION AND RETIREMENT PLANS (continued)

Actuarial Assumptions

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

A summary of the actuarial methods and assumptions used in determining the total pension liability for the pension plan as of June 30, 2019 is as follows:

	<u>MERS – Plan B</u>
Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions:	
Expected Remaining	
Service Lives	3 years
Investment Rate of Return	7.0%
Inflation Rate	2.50%
Mortality	<u>Annuitant and beneficiary mortality</u> - PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales. <u>Employee mortality</u> - PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales. <u>Disabled lives mortality</u> - PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale.
Salary Increases	7.4% for 1 to 4 years of service; 4.9% for more than 4 years of service
Cost of Living Adjustments	The System is authorized under state law to grant a cost of living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree’s original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows the System to grant an additional cost of living increase to all retirees and beneficiaries who are age sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rates of return is 7.0% for the year ended June 30, 2019.

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 9 – PENSION AND RETIREMENT PLANS (continued)

The following table provides a summary of the best estimates of arithmetic/geometric real rates of return for each major asset class included in each of the Retirement System target asset allocations as of June 30, 2019:

Asset Class	Target Allocation MERS	Long-Term Expected Real Rate of Return MERS
Public equity	50.0%	2.15%
Equity	-	-
Public fixed income	35.0%	1.51%
Fixed income	-	-
Alternatives	15.0%	0.64%
Other	-	-
Total	100.0%	4.30%
Inflation		2.70%
Expected Arithmetic Nominal Return		7.00%

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for MERS was 7.0% for the year ended June 30, 2019.

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

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

	1.0% Decrease	Current Discount Rate	1.0% Increase
MERS			
Rates	6.0%	7.0%	8.0%
Village of Napoleonville Share of NPL	\$ 53,380	\$ 40,052	\$ 28,781

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 10 – RISK MANAGEMENT

The Village is exposed to various risks of loss related to theft, damage, or destruction of assets, torts, injuries, natural disasters, and many other unforeseeable events. The Village purchases commercial insurance policies and bonds for any and all claims related to the aforementioned risks. The Village’s payment of the insurance policy deductible is the only liability associated with these policies and bonds. There has been no significant decrease in insurance coverage from the prior year, and the amount of settlements has not exceeded the insurance coverage for the past three years.

NOTE 11 – RECLASSIFICATIONS

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

NOTE 12 – COMPENSATION TO BOARD MEMBERS

Each member of the Board of Commissioners receives a per diem allowance for attending regular or special meetings of the Board. Each board member was paid the following amounts for meetings attended in 2019:

	<u>Amount</u>
Joyce Bell, Alderwoman	\$ 10,200
Kia Converse, Alderwoman	10,200
Velma Jupiter, Alderwoman	<u>10,200</u>
Total	<u>\$ 30,600</u>

NOTE 13 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date the financial statements were available to be issued, June 26, 2020, noting that the COVID-19 outbreak in the United States has caused business disruption through mandatory and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. However, the related financial impact and duration cannot be reasonably estimated at this time.

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

VILLAGE OF NAPOLEONVILLE
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>REVENUES</u>				
Taxes	\$ 193,500	\$ 186,500	\$ 180,586	\$ (5,914)
Intergovernmental revenue:				
Federal, State and local grants	26,000	1,000	1,000	-
Charges for services	56,000	56,000	57,195	1,195
Fines and forfeitures	500	2,500	2,058	(442)
Licenses and permits	93,000	94,000	79,765	(14,235)
Rental income	11,000	7,000	6,855	(145)
Investment income	500	700	695	(5)
Miscellaneous	2,500	4,800	5,684	884
Total revenues	<u>383,000</u>	<u>352,500</u>	<u>333,838</u>	<u>(18,662)</u>
<u>EXPENDITURES</u>				
Current:				
General government	187,200	190,260	192,483	(2,223)
Public safety	58,600	52,750	50,276	2,474
Streets and drainage	40,100	52,000	47,031	4,969
Sanitation	58,000	60,000	59,725	275
Culture and recreation	17,000	14,000	13,915	85
Capital Outlay	10,000	-	-	-
Total expenditures	<u>370,900</u>	<u>369,010</u>	<u>363,430</u>	<u>5,580</u>
Excess (deficiency) of Revenues over expenditures	12,100	(16,510)	(29,592)	(13,082)
Fund Balance, Beginning of Year	<u>130,557</u>	<u>154,205</u>	<u>154,205</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 142,657</u>	<u>\$ 137,695</u>	<u>\$ 124,613</u>	<u>\$ (13,082)</u>

VILLAGE OF NAPOLEONVILLE

SCHEDULE OF PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2019 (1)

Municipal Employees' Retirement System of Louisiana (Plan B)

As of the fiscal year ended (2):	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's Proportion of the Net Pension Liability (Assets)	0.0458%	0.0499%	0.0418%	0.0430%	0.0438%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 40,052	\$ 42,234	\$ 36,136	\$ 35,651	\$ 29,737
Employer's Covered-Employee Payroll	\$ 35,000	\$ 37,000	\$ 31,000	\$ 31,651	\$ 30,358
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	114.4343%	114.1459%	116.5677%	112.6378%	97.9544%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.1388%	65.5981%	63.4909%	63.3376%	68.7136%

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

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

VILLAGE OF NAPOLEONVILLE
SCHEDULE OF PLAN CONTRIBUTIONS
LAST TEN FISCAL YEARS (1)

Municipal Employees' Retirement System of Louisiana (Plan B)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 4,900	\$ 4,769	\$ 3,980	\$ 3,178	\$ 2,945
Contributions in relation to contractually required contributions	<u>4,900</u>	<u>4,814</u>	<u>4,129</u>	<u>3,178</u>	<u>2,947</u>
Contribution deficiency (excess)	-	(45)	(149)	-	(2)
Employer's Covered Employee Payroll	\$ 35,000	\$ 35,000	\$ 31,000	\$ 31,000	\$ 31,000
Contributions as a % of Covered Employee Payroll	14.00%	13.63%	12.84%	10.25%	9.50%

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

VILLAGE OF NAPOLEONVILLE
SCHEDULE OF COMPENSATION, BENEFITS
AND OTHER PAYMENTS TO CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2019

CHIEF EXECUTIVE OFFICER: Ron Animashaun, Mayor

Purpose	Amount
Salary	\$ 36,300
Benefits-Insurance	2,106
Cellphone provided by Village	1,480
Continuing Education	310
Membership Dues	<u>375</u>
Total	<u>\$ 40,571</u>

VILLAGE OF NAPOLEONVILLE
SCHEDULE OF LOUISIANA COMMUNITY
DEVELOPMENT BLOCK GRANT (LCDBG) ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

BALANCE SHEET

ASSETS:

Cash - LCDBG	\$	106
Total Assets		106

FUND BALANCE

	\$	106
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**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE**

REVENUES:

LCDBG Program	\$	53,070
Total revenues		53,070

EXPENDITURES:

Engineering services		53,070
Total expenditures		53,070

Excess (deficiency) of revenues over expenditures		-
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Fund balance - beginning		-
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Fund balance - ending	\$	-
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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

**To the Honorable Ron Animashaun
and Members of the Village Council
Village of Napoleonville, Louisiana**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and the major fund of the Village of Napoleonville, Louisiana, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Village of Napoleonville, Louisiana's basic financial statements and have issued our report thereon dated June 26, 2020.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses, or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Napoleonville, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our test disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2019-001.

Village of Napoleonville's Response to Finding

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

Purpose of this Report

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


Gonzales, Louisiana
June 26, 2020

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana

SCHEDULE OF FINDINGS AND RESPONSES

YEAR ENDED DECEMBER 31, 2019

SUMMARY OF AUDITOR'S RESULTS

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

FINDINGS – FINANCIAL STATEMENT AUDIT

None

NONCOMPLIANCE WITH STATE LAWS AND REGULATIONS

2019-001 Budget Law

Criteria: R.S. 38:2234 provides that the governing authority to amend the budget when total revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more.

Condition: Actual revenues in the General Fund had an unfavorable variance of 5.29% to the final budgeted amounts.

Effect: The Village is non-compliant with the Louisiana budget law.

Cause: The budget was not amended when actual revenues failed to meet budgeted revenues by more than 5%.

Recommendation: The Village should monitor budgets on a continual basis and amend the budgets appropriately in accordance with the statute.

Management's corrective action plan: Management will continue to monitor actual revenues throughout the year to ensure budget compliance in future fiscal years.

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED DECEMBER 31, 2019

FINDINGS – FINANCIAL STATEMENT AUDIT

None

NONCOMPLIANCE WITH STATE LAWS AND REGULATIONS

None

SUPPLEMENTAL INFORMATION REQUIRED BY USDA

VILLAGE OF NAPOLEONVILLE

DECEMBER 31, 2019

Sewer Customers and Rates

At December 31, 2019, the Village billed the following number of customers:

<u>Rate Code/Description</u>	<u>Customers</u>	<u>Rate</u>
Type 1		\$22.00 per month flat rate
Type 2		\$40.00 per month flat rate
Aysenne Rental Partnership	1	\$800.00 per month flat rate
Assumption Properties II	1	\$400.00 per month flat rate
Napoleonville Primary School		\$425.00 per month flat rate
Napoleonville Middle School		\$425.00 per month flat rate

Aged Accounts Receivable

At December 31, 2019, the Village's accounts receivable was as follows:

<u>Balances</u>	<u>Customers</u>	<u>Aging</u>
\$6,997	291	Current
3,210	25	31 - 60 Days
877	19	61 - 90 Days
-	0	Over 91 Days
<u>\$11,084</u>		

Insurance in Force

<u>Issuer/Insurer</u>	<u>Type of Insurance</u>	<u>Limit Description</u>	<u>Coverage</u>	<u>Effective Dates</u>
Louisiana Municipal Risk Management Agency	Commercial General Liability	Sewer Plant	\$ 500,000	5/1/2019 to 5/1/2020

Contact Information for the Mayor and Board of Alderman

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VILLAGE OF NAPOLEONVILLE, LOUISIANA

STATEWIDE AGREED UPON PROCEDURES

DECEMBER 31, 2019



INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Mayor, Village Council Members, and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Village of Napoleonville (the "Village") and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2019 through December 31, 2019. The Village's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation 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 this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget

Written policies and procedures were obtained and address the functions noted above.

b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

Written policies and procedures were obtained and address the functions noted above.

c) **Disbursements**, including processing, reviewing, and approving

Written policies and procedures were obtained and address the functions noted above.

d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Written policies and procedures were obtained and address the functions noted above.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

Written policies and procedures were obtained and address the functions noted above.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

Written policies and procedures were obtained and address the functions noted above.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)

Written policies and procedures were obtained and address the functions noted above.

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

Written policies and procedures were obtained and address the functions noted above.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

Written policies and procedures were obtained and address the functions noted above.

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Written policies and procedures were obtained and address the functions noted above.

- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

The Village does not have a Disaster Recovery/Business Continuity policy.

Management's response: The Village intends to prepare a Disaster Recovery/Business Continuity policy to address the functions noted above.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

2. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Obtained listing of locations that process payments and management's representation that listing is complete.

3. For each location selected under #2 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

No exceptions noted.

- b) At least two employees are involved in processing and approving payments to vendors.

No exceptions noted.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

No exceptions noted.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

No exceptions noted.

4. For each location selected under #2 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original invoice/billing statement.

No exceptions noted.

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #3, as applicable.

No exceptions noted.

Ethics

5. Randomly select 5 employees/officials from a listing of employees/officials employed during the fiscal period provided by management, obtain ethics documentation from management, and:
 - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

No exceptions noted.

- b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

No exceptions noted.

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 those C/C areas identified in the SAUPs. 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 those C/C areas identified in the SAUPs, 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 LLA as a public document.

Dick, Dupuy & Ruiz

Gonzales, Louisiana
June 26, 2020