

VILLAGE OF GRAND CANE, LOUISIANA

FINANCIAL STATEMENTS

For the Year Ended June 30, 2023

VILLAGE OF GRAND CANE, LOUISIANA

Table of Contents

As of and for the Year Ended June 30, 2023

	<u>Statement</u>	<u>Page</u>
Independent Accountant's Review Report		3-4
<u>Required Supplemental Information (Part I)</u>		
Management's Discussion and Analysis		6-11
<u>Basic Financial Statements:</u>		
<u>Government-Wide Financial Statements:</u>		
Statement of Net Position	A	14
Statement of Activities	B	15
<u>Fund Financial Statements:</u>		
Balance Sheet-Governmental Funds	C	17
Reconciliation of the Governmental Funds Balance Sheet to the Government-wide Statement of Net Position	D	18
Statement of Revenues, Expenditures, and Changes in Fund Balances- Governmental Funds	E	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	F	20
<u>Proprietary Fund:</u>		
Statement of Net Position	G	22
Statement of Revenues, Expenses, and Changes in Net Position	H	23
Statement of Cash Flows	I	24
<u>Notes to the Financial Statements:</u>		
Notes to the Financial Statements		26-35
<u>Required Supplemental Information (Part II):</u>	<u>Schedule</u>	<u>Page</u>
Budgetary Comparison Schedule – General Fund	1	37
Budgetary Comparison Schedule – Special Revenue Fund	2	38
Notes to Budgetary Comparison Schedules		39

VILLAGE OF GRAND CANE, LOUISIANA

Table of Contents (continued)

As of and for the Year Ended June 30, 2023

Other Supplemental Information

Schedule of Compensation, Benefits, and Other Payments to to Agency Head or Chief Executive Officer	3	41
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Other Reports Required by Louisiana State Audit Law:

Independent Accountant's Agreed-upon Procedure Report		43-46
Louisiana Attestation Questionnaire		47-49



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Independent Accountant's Review Report

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

Report on the Financial Statements

We have reviewed the accompanying financial statements of the governmental activities, the business-type activity, and the major fund of the Village of Grand Cane, Louisiana, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents. A review includes primarily applying procedures to management's financial data and making inquiries of the management of the Village of Grand Cane, Louisiana. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

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

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

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements of the Village of Grand Cane, Louisiana, for the year ended June 30, 2023, in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Other Matters Paragraphs

Required Supplemental Information Part I and Part II

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The information is the responsibility of management. We have not audited or reviewed the information and do not express an opinion, a conclusion, nor provide any assurance on such information.

Other Supplemental Information

The accompanying schedule of compensation, benefits, and other payments to agency head or chief executive officer is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with the reporting framework prescribed by Louisiana Revised Statute 24:515.2 and the Louisiana Legislative Auditor. We have not audited or reviewed the supplementary information and, accordingly, do not express an opinion on such information.

Report on Other Legal and Regulatory Requirements

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report, dated December 27, 2023 on the results of our agreed-upon procedures. Also presented as required is the Louisiana Attestation Questionnaire.

Dees Gardner, Certified Public Accountants, LLC

Mansfield, Louisiana
December 27, 2023

REQUIRED SUPPLEMENTAL INFORMATION (PART I)

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

June 30, 2023

As management of the Village of Grand Cane, Louisiana, we offer the readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village of Grand Cane as of and for the year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the Village's basic financial statements and supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

Financial Highlights

The Village experienced an increase in its total net position of 11.01% (\$180,713) during the fiscal year ended June 30, 2023, compared to an increase of 6.22% (\$96,153) in the prior year. At June 30, 2023, the assets of the Village exceeded its liabilities by \$1,822,296 compared to prior year's ending net position of \$1,641,583.

Unrestricted net position of \$613,551 (33.67% of total net position) represents the amount available to be used to meet the Village's ongoing obligations to its citizens.

As of the close of the fiscal year, the Village's governmental funds reported a decrease in ending fund balance of \$88,505 (12.80%) to \$602,735 from \$691,240 in the prior year.

Overview of the Financial Statements

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

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

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

The *statement of activities* presents information showing how the Village of Grand Cane's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus,

revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Government-wide Activities Financial Analysis

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Village's combined net position (governmental and business-type activities) totaled \$1,822,296 and \$1,641,583 as of June 30, 2023, and 2022, respectively, an increase of \$180,713 (11.01%).

A portion of the Village's net position \$1,198,945 (65.79%) is its investment in capital assets (e.g. land, buildings, improvements, infrastructure, and equipment); less any related debt used to acquire those assets that is still outstanding. This is compared to \$936,771 (57.07%) as of June 30, 2022. The Village uses these capital assets to provide services to the citizens of the Village; consequently, these assets are not available for future spending.

The Village's unrestricted net position, \$613,551 (33.67%) and \$693,962 (42.27%) as of June 30, 2023 and 2022, respectively, may be used to meet the Village's ongoing obligations to citizens and creditors at the discretion of the mayor and aldermen. \$598,196 (97.50%) of the unrestricted net position of the Village consists of cash, demand deposits, and certificates of deposit compared to \$692,969 (99.86%) for the prior year.

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

ASSETS	June 30, 2023	June 30, 2022	% Change
Cash and cash equivalents	\$ 598,196	\$ 692,969	-14%
Receivables	39,882	28,350	41%
Lease receivable	1,680	13,770	-88%
Capital assets	1,198,945	936,771	28%
TOTAL ASSETS	1,838,703	1,671,860	10%
LIABILITIES			
Accounts payable	4,994	5,665	-12%
Payable from restricted assets	9,800	10,850	-10%
TOTAL LIABILITIES	14,794	16,515	-10%
DEFERRED INFLOW OF RESOURCES			
Deferred lease income	1,613	13,762	-88%
TOTAL DEFERRED INFLOW OF RESOURCES	1,613	13,762	-88%
NET POSITION			
Net investment in capital assets	1,198,945	936,771	28%
Restricted for utility deposits	9,800	10,850	-10%
Unrestricted	613,551	693,962	-12%
TOTAL NET POSITION	\$ 1,822,296	\$ 1,641,583	11%

Changes in net position

The Village's net position increased by \$180,713 (11.01%) during the year ended June 30, 2023, compared to an increase of \$96,153 (6.22%) in 2022. Total program revenues increased a total of \$78,012 (20.73%). General revenues increased by \$36,369 due to an increase in licensing revenues and property taxes.

\$75,635 (15.14%) of the Village's total revenues were derived through charges for services during the year ended June 30, 2023 compared to \$66,533 (17.28%) for the prior year. \$151,566 (30.34%) of the Village's total revenues were derived through operating and capital grants and contributions during the year ended June 30, 2023, compared to \$82,626 (21.46%) for the prior year.

\$272,282 (54.51%) of total revenue was derived from general revenues including ad valorem taxes, sales taxes, franchise taxes, occupational license, rent, and interest compared to \$235,913 (61.26%) during 2022.

The net effect is an increase in revenue of \$114,381 or 29.70%.

Total expenses increased \$29,821 or 10.32%. The expenses were: sewer operations, \$68,219 (21.40%); streets and rights-of-way, \$79,361 (24.90%); culture and recreation, \$104,412 (32.76%), and general government \$66,768 (20.95%).

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

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>% Change</u>
Revenue			
Program revenues:			
Charges for services	\$ 75,635	\$ 66,553	14%
Operating grants and contributions	42,626	82,626	-48%
Capital grants and contributions	108,930	-	100%
General revenues:			
Taxes	233,782	193,001	21%
Licenses	42,056	31,546	33%
Other general revenues	3,220	10,831	-70%
Interest	1,188	535	122%
Loss on disposal of assets	(7,964)		100%
Total revenues	<u>499,473</u>	<u>385,092</u>	<u>30%</u>
Expenses			
General government	66,768	54,921	22%
Street and right of ways	79,361	84,890	-7%
Culture and recreation	104,412	61,860	69%
Sewer	68,219	87,268	-22%
Total expenses	<u>318,760</u>	<u>288,939</u>	<u>10%</u>
Increase (decrease) in net position	180,713	96,153	88%
Net position June 30, 2022	1,641,583	1,545,430	6%
Net position June 30, 2023	<u>\$ 1,822,296</u>	<u>\$ 1,641,583</u>	<u>11%</u>

Governmental Funds Financial Analysis

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

As of June 30, 2023, the General Fund's unassigned fund balance (\$141,919) decreased \$101,348 (41.66%) in comparison with June 30, 2022. Sales tax is collected in the Village and utilized fifty percent for upkeep and maintenance of streets and fifty percent for general Village needs. Sales tax revenue increased \$38,176 from 2022; and, the amount committed to streets increased from \$440,650 for the year ended June 30, 2022, to \$450,843 for the year ended June 30, 2023.

General Fund Budgetary Highlights

Formal budgetary integration is employed as a management control device during the fiscal year. The budget policy of the Village complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA – R.S. 39:1301 et seq.). The

Village amended the original budget during the year. The Village was not in compliance with the Budget Act. For the General Fund, expenses were more than what was budgeted by \$117,770 (28.64%) and revenues were more than budgeted amounts by \$85,655 (24.32%). For the Special Revenue Fund, no expenses were budgeted or incurred and actual revenues were less than budgeted amounts by \$503 (3.18%). There was \$12,643 transferred from the special revenue fund to the sewer fund that was \$17,357 less than budgeted amounts.

Capital Asset and Debt Administration

Capital assets The Village of Grand Cane's investment in capital assets for its governmental activities as of June 30, 2023, totaled \$1,198,945 (net of accumulated depreciation of \$1,215,412). This investment includes land, buildings, furniture, equipment and infrastructure. The purchase of capital assets for the year was \$327,979. This was for the construction of a patio behind the historical downtown buildings, a roof over two of the historical buildings, the purchase of the historical Parker Building, and an a/c unit in one of the rentals. There were no investments in capital assets for the business-type activities for the year ended June 30, 2023.

Long-term debt The Village of Grand Cane has no outstanding debt at June 30, 2023.

Economic Factors and Next Year's Budget

For the fiscal year ending June 30, 2023, the following factors were considered when the budget was prepared:

- General and program revenue will remain consistent with the prior year.
- Expenditures are expected to remain steady with the prior year.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

VILLAGE OF GRAND CANE, LOUISIANA

STATEMENT OF NET POSITION

June 30, 2023

ASSETS	Governmental Activities	Business-Type Activities	Total
Cash and cash equivalents	\$ 562,805	\$ 35,391	\$ 598,196
Receivables	33,206	6,676	39,882
Internal balances	11,718	(11,718)	-
Lease receivables	1,680	-	1,680
Capital assets (net)	1,131,533	67,412	1,198,945
TOTAL ASSETS	1,740,942	97,761	1,838,703
LIABILITIES			
Accounts, payroll, and other payables	4,994	-	4,994
Payable from restricted assets	-	9,800	9,800
TOTAL LIABILITIES	4,994	9,800	14,794
DEFERRED INFLOWS OF RESOURCES			
Deferred lease income	1,613	-	1,613
TOTAL DEFERRED INFLOWS OF RESOURCES:	1,613	-	1,613
NET POSITION			
Net investment in capital assets	1,131,533	67,412	1,198,945
Restricted for sewer deposits	-	9,800	9,800
Unrestricted	602,802	10,749	613,551
TOTAL NET POSITION	\$ 1,734,335	\$ 87,961	\$ 1,822,296

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

VILLAGE OF GRAND CANE, LOUISIANA

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2023

	Program Revenues					Net (Expenses), Revenues, and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenues	Governmental Activities	Business-Type Activities	Total
Governmental Activities								
General government	\$ 66,768	\$ -	\$ 42,626	\$ -	\$ (24,142)	\$ (24,142)	\$ -	\$ (24,142)
Public works:								
Streets and right of ways	79,361	-	-	-	(79,361)	(79,361)	-	(79,361)
Culture and recreation	104,412	28,894	-	108,930	33,412	33,412	-	33,412
Total Governmental Activities	<u>250,541</u>	<u>28,894</u>	<u>42,626</u>	<u>108,930</u>	<u>(70,091)</u>	<u>(70,091)</u>	<u>-</u>	<u>(70,091)</u>
Business-Type Activities								
Sewer	68,219	46,741	-	-	(21,478)	-	(21,478)	(21,478)
Total Business-type Activities	<u>68,219</u>	<u>46,741</u>	<u>-</u>	<u>-</u>	<u>(21,478)</u>	<u>-</u>	<u>(21,478)</u>	<u>(21,478)</u>
Total Primary Government	<u>\$ 318,760</u>	<u>\$ 75,635</u>	<u>\$ 42,626</u>	<u>\$ 108,930</u>	<u>\$ (91,569)</u>	<u>(70,091)</u>	<u>(21,478)</u>	<u>(91,569)</u>
			General Revenues:					
			Ad valorem taxes			23,980	7,504	31,484
			Sales tax			185,569	-	185,569
			Franchise taxes			16,729	-	16,729
			Occupational licenses			42,056	-	42,056
			Oil and gas royalties			2,939	-	2,939
			Investment earnings			1,188	-	1,188
			Other general revenues			281	-	281
			Miscellaneous income (Loss on disposal of assets)			-	(7,964)	(7,964)
			Transfers			(12,643)	12,643	-
			Total general revenues			<u>260,099</u>	<u>12,183</u>	<u>272,282</u>
			Change in Net Position			190,008	(9,295)	180,713
			Net position - beginning			<u>1,544,327</u>	<u>97,256</u>	<u>1,641,583</u>
			Net position - ending			<u>\$ 1,734,335</u>	<u>\$ 87,961</u>	<u>\$ 1,822,296</u>

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

FUND FINANCIAL STATEMENTS

VILLAGE OF GRAND CANE, LOUISIANA
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2023

ASSETS	Major Funds		<u>Total</u>
	General Fund	Special Revenue Fund	
Cash and cash equivalents	\$ 562,704	\$ 101	\$ 562,805
Receivables	27,231	5,975	33,206
Due from other funds	11,718	3,897	15,615
TOTAL ASSETS	\$ 601,653	\$ 9,973	\$ 611,626
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts, payroll, and other payables	\$ 4,994	\$ -	\$ 4,994
Due to other funds	3,897	-	3,897
Total Liabilities	8,891	-	8,891
Fund Balances:			
Committed			
Streets	450,843	-	450,843
Assigned			
Sewer or streets	-	9,973	9,973
Unassigned, reported in:			
General fund	141,919	-	141,919
Total Fund Balance	592,762	9,973	602,735
TOTAL LIABILITIES AND FUND BALANCE	\$ 601,653	\$ 9,973	\$ 611,626

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

VILLAGE OF GRAND CANE, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
June 30, 2023

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

Fund Balance, Total Governmental Funds, Statement C	\$ 602,735
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the government funds	1,131,533
Long-term lease receivables are not available to pay for current period expenditures and therefore are deferred in the funds:	1,680
Deferred inflows from leases for governmental activities are not current financial resources and therefore not reported in the governmental funds	<u>(1,613)</u>
Net Position of Governmental Activities, Statement A	<u><u>\$ 1,734,335</u></u>

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

VILLAGE OF GRAND CANE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

	Major Funds		Total
	General Fund	Special Revenue Fund	
Revenues:			
Taxes			
Ad valorem taxes	\$ 8,658	\$ 15,267	\$ 23,925
Sales taxes	185,569	-	185,569
Franchise taxes	16,729	-	16,729
Grants and contributions			
State Grant	108,930		108,930
American Recovery Plan	42,626		42,626
Licenses and permits	42,056	-	42,056
Charges for services	28,894	-	28,894
Oil and gas royalties	2,939	-	2,939
Interest	1,158	30	1,188
Other	281	-	281
	<u>437,840</u>	<u>15,297</u>	<u>453,137</u>
Expenditures:			
Current			
General government	64,637	4	64,641
Public works			
Streets and right of ways	72,685	-	72,685
Culture and recreation	63,694	-	63,694
Capital outlays	327,979	-	327,979
	<u>528,995</u>	<u>4</u>	<u>528,999</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(91,155)</u>	<u>15,293</u>	<u>(75,862)</u>
Other Financing Sources (Uses):			
Transfers in (out)	<u>-</u>	<u>(12,643)</u>	<u>(12,643)</u>
Net change in Fund Balances	(91,155)	2,650	(88,505)
Fund balances, beginning of year	683,917	7,323	691,240
Fund balances, end of year	<u>\$ 592,762</u>	<u>\$ 9,973</u>	<u>\$ 602,735</u>

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

VILLAGE OF GRAND CANE, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

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

Net Change in Fund Balances, Total Governmental Funds, Statement E	\$ (88,505)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$327,979) exceeds the depreciation (\$49,526) in the current period.	278,453
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	<u>60</u>
Change in Net Position of Governmental Activities, Statement B	<u><u>\$ 190,008</u></u>

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

PROPRIETARY FUND

VILLAGE OF GRAND CANE, LOUISIANA

STATEMENT OF NET POSITION
PROPRIETARY FUND

June 30, 2023

	Business-Type Activity - Sewer
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 35,391
Receivables	6,676
Total current assets	<u>42,067</u>
Non-current assets:	
Capital assets, net of accumulated depreciation	<u>67,412</u>
TOTAL ASSETS	<u>109,479</u>
LIABILITIES	
Current liabilities:	
Accounts, payroll, and other payables	-
Due to other funds	11,718
Total current liabilities	<u>11,718</u>
Payable from restricted assets:	
Meter deposits	<u>9,800</u>
TOTAL LIABILITIES	<u>21,518</u>
NET POSITION	
Net investment in capital assets	67,412
Restricted for meter deposits	9,800
Unrestricted	<u>10,749</u>
TOTAL NET POSITION	<u>\$ 87,961</u>

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

VILLAGE OF GRAND CANE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
For the Year Ended June 30, 2023

	Sewer Fund
Operating Revenues	
Charges for services	
Sewer service fees	\$ 46,741
Total Operating Revenues	46,741
Operating Expenses	
Cost of sales and services	54,829
Administration	5,073
Depreciation	8,317
Total Operating Expenses	68,219
Operating Loss	(21,478)
Nonoperating Revenues (Expenses)	
Ad valorem taxes	7,504
Loss on disposal of assets	(7,964)
Transfer from Special Revenue Fund	12,643
Total Nonoperating Revenues (Expenses)	12,183
Income (Loss) Before Transfers	(9,295)
Change in Net Position	(9,295)
Total Net Position, beginning of year	97,256
Total Net Position, end of year	\$ 87,961

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

VILLAGE OF GRAND CANE, LOUISIANA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUND - Sewer
For the Year Ended June 30, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 45,032
Cash payments to suppliers for goods and services	(34,529)
Cash payments to employees for services	(25,836)
Net cash provided by operating activities	<u>(15,333)</u>
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Ad valorem taxes collected	10,881
Transfer in from general fund and special revenue fund	12,643
Payment on general fund advance	103
Net cash provided by non capital financing activities	<u>23,627</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	
	8,294
 CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	
	<u>27,097</u>
 CASH AND CASH EQUIVALENTS AT END OF YEAR	
	<u><u>\$ 35,391</u></u>
 Reconciliation of operating loss to net cash provided by operating activities:	
Operating income	\$ (21,478)
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	8,317
(Increase) decrease in accounts receivable	(660)
Increase (decrease) in accounts payable	(462)
Increase (decrease) in customer deposits	(1,050)
Total adjustments	<u>6,145</u>
Net cash (used)/provided by operating activities	<u><u>\$ (15,333)</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

VILLAGE OF GRAND CANE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023

INTRODUCTION

The Village of Grand Cane, Louisiana, was incorporated under the provisions of the Lawrason Act in 1939. The Village is governed by the mayor – board of aldermen form of government. The mayor and three aldermen are elected and serve four-year terms that expire on December 31, 2026. The Village has one sewer employee, one street employee, and a part time clerk. The Village has a population of 220 (2020 Census) and is located in northwest Louisiana in DeSoto Parish.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

B. Basis of Presentation

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

C. Fund Accounting

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

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

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

VILLAGE OF GRAND CANE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Fund Accounting (continued)

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

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

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

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

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

VILLAGE OF GRAND CANE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Measurement Focus and Basis of Accounting (continued)

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

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

Proprietary Fund Financial Statements

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

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

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

E. Cash and Cash Equivalents and Investments

Cash and cash equivalents include cash on hand, amounts in demand deposits, interest bearing demand deposits and certificates of deposit. Under state law the Village may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The Village may invest in United States bonds, treasury notes and bills, government-backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. These are classified as investments if their original maturities exceed 90 days. All investments are recorded at fair value based on quoted market prices.

F. Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. The receivables for the governmental activities include ad valorem taxes and sales tax. Business-type activities report customer's sewer service charges as its major receivable. Allowances are reported when accounts are proven to be uncollectible. At June 30, 2023 all accounts were deemed collectible.

VILLAGE OF GRAND CANE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond June 30, 2023 are recorded as prepaid expenses. The Village had no prepaids at year end.

H. Levied Taxes

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

Taxes due for:	Authorized Millage	Levied Millage	Expiration Date
General	6.00	5.57	Indefinite
Sewer system	5.00	4.78	2026
Sewer/ Streets	5.00	4.61	2027
Sewer/ Streets	5.40	5.15	2027

The difference between authorized and levied millages is the result of reassessments of taxable property within the parish as required by Louisiana Constitution Article VII, Section 18(F). This revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2020. Total assessed value was \$1,564,242 for fiscal year ended June 30, 2023.

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

A one percent sales and use tax was levied in the Village beginning January, 1997 and has no expiration. October 12, 2019 voters approved a continuation of the tax. Prior to the continuation vote, the proceeds generated by the tax were only authorized to be used for constructing, improving and maintaining public roads, streets and bridges in the Village. The continuation vote amended the aforementioned restricted use, allowing for fifty percent of the proceeds to be used for any lawful purpose.

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are, reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost. There are no assets valued at estimated cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The municipality maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Description</u>	<u>Estimated Lives</u>
Roads, bridges, and infrastructure	15-20 years
Buildings and building improvements	40 years
Furniture and fixtures	7 years
Equipment	7 years

VILLAGE OF GRAND CANE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Fund Equity

NET POSITION

In the government-wide financial statements, fund equity (the difference between assets and liabilities) is classified as net position and reported in three components:

- *Net investment in capital assets*—consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted net position*—consists of net position with constraints placed on the use by a) external groups, such as creditors, grantors, or laws or regulations of other government; or b) law through constitutional provisions or enabling legislation.
- *Unrestricted net position*—consists of all other assets that do not meet the definition of “restricted” or “net investment in capital assets”.

The Village of Grand Cane’s policy is to consider restricted net position to have been depleted before unrestricted net position is applied.

FUND BALANCES

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

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

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

K. Interfund Transactions and Balances

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

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

VILLAGE OF GRAND CANE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Estimates

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

M. Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss the Village maintains commercial insurance policies and surety bond coverage. There have been no claims filed in the last three years.

2. CASH AND CASH EQUIVALENTS

At June 30, 2023, the Village has cash and cash equivalents (book balances) in deposits totaling \$598,196, with \$141,726 in demand deposits, \$456,370 in interest-bearing demand deposits, and \$100 in cash. These deposits are stated at cost, which approximates fair value.

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

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

At June 30, 2023, the Village has collected bank balances of deposits totaling \$602,647. These deposits are fully secured from risk by \$250,000 of federal deposit insurance and by pledged securities held by the custodial bank in the name of the Village (GASB Category 2) with a market value of \$513,359.

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

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

VILLAGE OF GRAND CANE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023

3. LEVIED TAXES

Total ad valorem taxes levied were \$31,484 and ad valorem taxes receivable at June 30, 2023, are \$10,090. The following are the principal taxpayers for the Village and their 2023 assessed valuation:

TAXPAYER	ASSESSED VALUATION	% OF TOTAL ASSESSED VALUATION	AD VALOREM TAX REVENUE FOR VILLAGE
Cleco Power LLC	\$ 221,890	14.19%	\$ 4,464
Progressive National Bank	133,324	8.52%	2,680
Stice-Hill Holding, LC	76,150	4.87%	1,532
Dollar General	49,108	3.14%	988
Kustom Fabrications Works LLC	40,954	2.62%	824
Owen, Steven	35,210	2.25%	708
Headrick, Rodney	28,046	1.79%	563
Cook, WM. H	27,731	1.77%	557
Crocker Investments LLC	27,486	1.76%	554
Atmos Energy Louisiana	27,451	1.75%	550
Total	<u>\$ 667,350</u>	<u>42.66%</u>	<u>\$ 13,420</u>

Sales tax collections for the year ended June 30, 2023 were \$185,569.

4. RECEIVABLES

The following is a summary of receivables at June 30, 2023:

	General	Special Revenue	Sewer	Total
Sales and use tax	\$ 25,786	\$ -	\$ -	\$ 25,786
Ad valorem tax	1,445	5,975	2,670	10,090
Sewer fees	-	-	4,006	4,006
	<u>\$ 27,231</u>	<u>\$ 5,975</u>	<u>\$ 6,676</u>	<u>\$ 39,882</u>

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

VILLAGE OF GRAND CANE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023

5. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2023, for the primary government is as follows:

Governmental Activities:	Balance June 30, 2022	Increases	Reclassifications/ Decreases	Balance June 30, 2023
Capital assets, being depreciated				
Buildings & improvements	\$ 1,142,750	\$ 318,071	\$ -	\$ 1,460,821
Equipment				
Streets, & Right of Ways	129,134	9,908	-	139,042
General	16,000	-	(4,676)	11,324
Streets	172,645	-	(37,487)	135,158
Total capital assets, being depreciated	<u>\$ 1,460,529</u>	<u>\$ 327,979</u>	<u>\$ (42,163)</u>	<u>\$ 1,746,345</u>
Less accumulated depreciation for				
Buildings & improvements	\$ 332,073	\$ 42,139	\$ -	\$ 374,212
Equipment				
Streets & Right of Ways	76,045	4,987	(37,488)	43,544
General	25,645	1,878	(4,676)	22,847
Streets	173,687	522	-	174,209
Total accumulated depreciation	<u>607,450</u>	<u>49,526</u>	<u>(42,164)</u>	<u>614,812</u>
Total Capital assets being depreciated net	<u>\$ 853,079</u>	<u>\$ 278,453</u>	<u>\$ 1</u>	<u>\$ 1,131,533</u>

Business type Activity:	Balance June 30, 2023	Increases	Reclassifications/ Decreases	Balance June 30, 2023
Capital assets being depreciated				
Sewer System	\$ 502,063	\$ -	\$ -	\$ 502,063
Equipment	23,032	-	(25,247)	(2,215)
Sewer betterments	168,164	-	-	168,164
Total capital assets being depreciated	<u>\$ 693,259</u>	<u>\$ -</u>	<u>\$ (25,247)</u>	<u>\$ 668,012</u>
Less accumulated depreciation for				
Sewer System	488,694	-	-	488,694
Equipment	20,239	1,792	(17,284)	4,747
Sewer betterments	100,634	6,525	-	107,159
Total accumulated depreciation	<u>609,567</u>	<u>8,317</u>	<u>(17,284)</u>	<u>600,600</u>
Total Capital assets being depreciated net	<u>\$ 83,692</u>	<u>\$ (8,317)</u>	<u>\$ (7,963.00)</u>	<u>\$ 67,412</u>

Depreciation expense of \$49,526 reported in governmental activities for the year ended June 30, 2023, was charged to the following governmental functions:

General government	\$ 2,131
Public works: Streets and right of ways	6,676
Cultural and recreation	40,719
	<u>\$ 49,526</u>

VILLAGE OF GRAND CANE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023

6. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composite of interfund receivable/payable as of June 30, 2023 was:

	General	Special Revenue	Sewer	Total
Due to	\$ 11,718	\$ 3,897	\$ -	\$ 15,615
Due from	(3,897)	-	(11,718)	(15,615)
	\$ 7,821	\$ 3,897	\$ (11,718)	\$ -

7. ACCOUNTS, SALARIES, AND OTHER PAYABLES

The following is a summary of payables at June 30, 2023:

	General	Special Revenue	Sewer	Total
Trade payables	\$ 3,239	\$ -	\$ -	\$ 3,239
Accrued payroll taxes	1,755	-	-	1,755
Sewer deposits	-	-	9,800.00	9,800
Total	\$ 4,994	\$ -	\$ 9,800.00	14,794

8. COMMITTED FUND BALANCE

As of June 30, 2023, the net fund balance committed for streets was as follows:

Beginning reserve June 30, 2022	\$ 440,650
Sales tax revenue	92,786
Less street expenses	(82,593)
Net reserve for streets, June 30, 2023	\$ 450,843

9. PENSION PLAN

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

10. LEASE AGREEMENTS

The Village rents downtown historical buildings for an average of approximately \$2,392 revenue a month during the year ended June 30, 2023.

Under GASB 87, the Village recognizes all leases over one year in term as a lease receivable and a deferred inflow of resources. The lease receivable is measured at the present value of lease payments expected to be received during the lease term. The deferred inflow of resources is measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods. Lease revenue is recognized from the deferred inflow of resources in a systematic and rational manner over the term of the lease.

VILLAGE OF GRAND CANE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2023

10. LEASE AGREEMENTS (continued)

The changes in lease receivable and deferred inflows for June 30, 2022, are as follows:

		Lease Receivable		Deferred Inflows
Beginning balances	\$	13,770	\$	13,762
Principal received		(12,090)		
Income recognized				(12,149)
Ending balances	\$	1,680	\$	1,613

The future minimum lease receivable payments, interest, and deferred inflows recognized under this lease is as follows:

		Principal		Interest		Total	Revenue Recognized from Inflows
Year ending							
2024	\$	1,680	\$	39	\$	1,719	\$ 1,613
Totals	\$	1,680	\$	39	\$	1,719	\$ 1,613

11. RELATED PARTY TRANSACTIONS

Procedures, observations, and inquiries did not disclose any material related party transactions for the fiscal year ended June 30, 2023.

12. SUBSEQUENT EVENT

Management has performed an evaluation of the Village of Grand Cane's activities through December 27, 2023, and has concluded that there is one significant events requiring recognition or disclosure through that date and time these financial statements were available to be issued. On November 18, 2023, voters approved the Village to levy an additional .25% sales and use tax to be collected beginning January 1, 2024 to be used for the purposes of constructing, improving, maintaining, and operating the Village's sewerage system.

REQUIRED SUPPLEMENTAL INFORMATION (PART II)

VILLAGE OF GRAND CANE, LOUISIANA

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive(Negative)
Revenues:				
Taxes				
Ad valorem taxes	\$ 9,000	\$ 9,000	\$ 8,658	\$ (342)
Sales taxes	60,000	60,000	185,569	125,569
Franchise taxes	13,500	13,500	16,729	3,229
State Grant	25,000	6,000	151,556	145,556
Licenses and permits	20,500	20,500	42,056	21,556
Charges for services	25,150	25,085	28,894	3,809
Oil and gas royalties	3,000	3,000	2,939	(61)
Interest	400	400	1,158	758
Other	90,000	214,700	281	(214,419)
Total Revenues	<u>246,550</u>	<u>352,185</u>	<u>437,840</u>	<u>85,655</u>
Expenditures:				
Current				
General government	76,015	81,765	64,637	17,128
Public works				
Streets and right of ways	79,910	66,510	72,685	(6,175)
Culture and recreation	55,000	132,950	63,694	69,256
Capital outlays	-	130,000	327,979	(197,979)
Total Expenditures	<u>210,925</u>	<u>411,225</u>	<u>528,995</u>	<u>(117,770)</u>
Excess (Deficiency) of Revenues over Expenditures/ Net change in Fund Balances	<u>35,625</u>	<u>(59,040)</u>	<u>(91,155)</u>	\$ <u>(32,115)</u>
Fund balance, beginning of year	<u>683,917</u>	<u>683,917</u>	<u>683,917</u>	
Fund balance, end of year	\$ <u><u>719,542</u></u>	\$ <u><u>624,877</u></u>	\$ <u><u>592,762</u></u>	

See the accompanying notes and independent accountant's review report

VILLAGE OF GRAND CANE, LOUISIANA

BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND

For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Taxes:				
Ad valorem taxes	\$ 15,800	\$ 15,800	\$ 15,267	\$ (533)
Interest income	-	-	30	30
Total Revenues	<u>15,800</u>	<u>15,800</u>	<u>15,297</u>	<u>(503)</u>
Expenditures:				
Total Expenditures	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>
Excess (Deficiency) of Revenues over Expenditures	<u>15,800</u>	<u>15,800</u>	<u>15,293</u>	<u>(507)</u>
Other Financing Uses:				
Operating transfers out	<u>-</u>	<u>(30,000)</u>	<u>(12,643)</u>	<u>17,357</u>
Net Change in Fund Balances	15,800	(14,200)	2,650	\$ <u>16,850</u>
Fund balance, beginning of year	<u>7,323</u>	<u>7,323</u>	<u>7,323</u>	
Fund balance, end of year	<u>\$ 23,123</u>	<u>\$ (6,877)</u>	<u>\$ 9,973</u>	

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

VILLAGE OF GRAND CANE, LOUISIANA

NOTES TO BUDGETARY COMPARISON SCHEDULES

As of and for the Year Ended June 30, 2023

Budgetary Information

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

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

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

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

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

In the General Fund, actual revenues were more than budgeted revenues. Actual expenditures were more than budgeted expenditures by 28.64%. The budget was amended during the year ended June 30, 2023. The Village is not in compliance with the Louisiana Local Government Budget Act.

OTHER SUPPLEMENTAL INFORMATION

VILLAGE OF GRAND CANE, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEADS OR CHIEF EXECUTIVE OFFICER
 For the Year Ended June 30, 2023

	Marsha Richardson, Mayor
Purpose:	
Salary	-
Benefits-insurance (Medicare)	-
Benefits- retirement (Social Security)	-
Benefits - retirement	-
Car allowance	-
Dues and memberships	-
Per diem	-
Reimbursements	130
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Court pay	-
Cell phone	-
Special meals	-
Total	130

See accompanying independent accountant's review report.

OTHER REPORTS REQUIRED BY LOUISIANA STATE
AUDIT LAW



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Independent Accountant's Report on Applying Agreed-Upon Procedures

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

We have performed the procedures enumerated below on the Village of Grand Cane's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2023, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Village of Grand Cane's management is responsible for its financial records and compliance with applicable laws and regulations.

The Village of Grand Cane has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the Village's compliance with the laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2023. Additionally, the Louisiana Legislative Auditor has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes

Public Bid Law

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

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

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics).

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

3. Obtain from management a listing of all employees paid during the fiscal year.

Management provided us with the required list.

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

None of the employees included on the list of employees provided by management (agreed-upon procedure No. 3) appeared on the list provided by management in agreed-upon procedure No. 2.

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

A list of disbursements was obtained. None of the business interests were also found as a vendor.

Budgeting

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

Management provided us with a copy of the original budget and all amendments to the original budget.

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

The Board adopted the original budget on June 7, 2022. It was amended on June 6, 2023.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more.

In the General Fund, we compared the revenues and expenditures of the final budget to actual revenue and expenditures. Budgeted revenues for the year exceeded actual amounts by 24.32%. Total actual expenditures were more than budgeted amounts by 28.64%. Actual expenditures exceeded budgeted expenditures by 5% or more.

In the Special Revenue Fund, we compared the revenues and expenditures of the final budget to actual revenue and expenditures. Budgeted revenues for the year were less than actual amounts by 3.18%. The Fund did not budget expenditures. The Village budgeted an operating transfer to the sewer fund of \$30,000, and the actual transfers were less.

Recommendation: Management should be more vigilant in comparing budget to actual during the year.

Management response: We agree with the recommendation.

Accounting and Reporting

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

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

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

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

All payments were properly coded to the correct fund and general ledger account.

- (c) Report whether the six disbursements were approved in accordance with policies and procedures

Documentation supporting each of the six selected disbursements include approval and were properly coded to the general ledger.

Meetings

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

The Village of Grand Cane, Louisiana is only required to post a notice of each meeting and the accompanying agenda on the door of Village Hall. There is a vote to accept the agenda as posted at the beginning of each meeting.

Debt

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

We inspected deposits for the period under examination and found no indication of new bank loans, bonds, or like indebtedness in 2023.

Advances and Bonuses

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

We inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

State Audit Law

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

The report was filed timely.

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

Management did enter into any contracts that utilized state funds but those contracts were not subject to the public bid law.

Other Matters, Concerns, Suggestions, Recommendations, and/ or Comments

15. Discuss any other matters, concerns, suggestions, recommendations and/ or comments determined during the performance of attestation procedures.

The Village should review and update their sewer deposit register more regularly to ensure the accuracy of the meter deposit liability is materially correct. It was noted that several individuals had left the system, but still had a deposit recorded.

Prior-Year Comments and Recommendations

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

There were finding reported for the year ending June 30, 2022.

- a) The Village has a continued finding for an inadequate segregation of duties that management does not see as cost beneficial to correct. The segregation of duties continues to be unresolved.
- b) The Village was not in compliance with the Local Government Budget Act due to revenues having failed to meet budgeted revenues by 5% or more and an operating transfer from the Special Revenue fund was not budgeted. The Village continues to have a budget violation.
- c) Disbursements tested during the June 30, 2022 fiscal year end did not include approval from management. The issue has been resolved.

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

We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

Dees Gardner, Certified Public Accountants, LLC

Dees Gardner, Certified Public Accountants, LLC
Mansfield, Louisiana
December 27, 2023

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

September 27, 2023 (Date Transmitted)

Dees Gardner, CPAs, LLC

122 Jefferson Street

Mansfield, LA 71052

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of June 30, 2023 (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Public Bid Law

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

Yes [] No [] N/A []

Code of Ethics for Public Officials and Public Employees

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

Yes [] No [] N/A []

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

Yes [] No [] N/A []

Budgeting

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

Yes [] No [] N/A []

Accounting and Reporting

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

Yes [] No [] N/A []

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

Yes [] No [] N/A []

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

Yes [] No [] N/A []

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

Yes No N/A

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

Yes No N/A

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

Yes No N/A

Meetings

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

Yes No N/A

Debt

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

Yes No N/A

Advances and Bonuses

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

Yes No N/A

Prior-Year Comments

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

Yes No N/A

General

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

Yes No N/A

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

Yes No N/A

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

Yes No N/A

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

Yes No [] N/A []

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

Yes No [] N/A []

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

Yes No [] N/A []

We have disclosed to you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes No [] N/A []

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

Yes No [] N/A []

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

Marsha Richardson Mayor 11-9-23 Date
[Signature] Town Clerk 11-7-23 Date