

**Village of Sun, Louisiana**

**Annual Financial Statements  
As of and for the Year Ended June 30, 2020  
and Independent Accountant's Review Report**

## **VILLAGE OF SUN, LOUISIANA**

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Honorable Will Talley, Mayor  
And Members of the Board of Alderman  
Village of Sun, Louisiana

I have reviewed the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Sun, Louisiana as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

### Management's Responsibility for the Financial Statements

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

### Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am 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. I believe that the results of my procedures provide a reasonable basis for my conclusion.

### Accountant's Conclusion

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

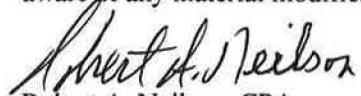
### Other Matters

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Budgetary Comparison Schedule on page 28 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. The information is the representation of management. I have not audited or reviewed such required supplementary information, and, accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on it.

The accompanying schedule of compensation, benefits, and other payments to agency head, as required by the Louisiana Legislative Auditor, is presented for additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and related directly to

the underlying accounting and other records used to prepare the financial statements. It has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and I did not become aware of any material modifications that should be made to such information.

A handwritten signature in black ink, appearing to read "Robert A. Neilson". The signature is written in a cursive, flowing style.

Robert A. Neilson, CPA

Bogalusa, Louisiana

March 2, 2021



**REQUIRED SUPPLEMENTARY INFORMATION**

**PART I**

**VILLAGE OF SUN, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

As management of the Village of Sun, Louisiana (the Village), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village of Sun, Louisiana, for the fiscal year ended June 30, 2020. This management discussion and analysis (MD&A) is designed to provide an objective and easy to read analysis of the Village's financial activities based on currently known facts, decisions, or conditions. It is intended to provide readers with a broad overview of the Village's finances. It is also intended to provide readers with an analysis of the Village's short-term and long-term activities, based on information presented in the financial report and fiscal policies that have been adopted by the Village. This section is designed to assist the reader in focusing on significant financial issues, provide an overview of the Village's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns. As with other sections of this financial report, the information contained within this MD&A should be considered only a part of a greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and the other Required Supplemental Information (RSI) that is provided in addition to this MD&A.

**Financial Highlights- Government Wide**

- The Village's assets exceeded its liabilities by \$457,480 and \$537,770 (net position) at June 30, 2020 and 2019 respectively.
- Revenue decreased approximately 16%, primarily due the ongoing COVID-19 pandemic for consumer based revenues.
- Expenses increased approximately 50%, primarily due to the addition of several new employees, a rise in office expenses, and additional utility system supply purchases.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Village's financial statements. The Village's basic financial statements consist of the following components:

- 1) Government-Wide Financial Statements
- 2) Fund Financial Statements
- 3) Notes to Financial Statements
- 4) Required Supplemental Information
- 5) Other Supplemental Information

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statements provide readers a concise "entity-wide" statement of net position and statement of activities, seeking to give the user of the financial statements a broad overview of the Village's financial position and results of operations in a manner similar to a private sector business.

- The statement of net position presents information on all of the Village's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Assets and deferred outflows of resources less liabilities and deferred inflows of resources equals net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

**VILLAGE OF SUN, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

- The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event that gives rise to the change occurs, regardless of the 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 periods (e.g., uncollected taxes).

The government-wide financial statements further assist the reader in their evaluation by distinguishing functions of the Village into:

1. Government activities such as police and administrative services that are supported by taxes, grants and franchise fees, and
2. Business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges such as their water, sewer and garbage systems.

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a governments' financial position. The Village assets exceeded its liabilities at the close of the most recent fiscal year by \$457,480 (net position). The Village's net position is comprised of \$407,604 from governmental activities and \$49,876 from business-type activities as shown on page 9.

The largest portion of the Village's net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, vehicles, infrastructure, etc.) less any related debt that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The Village has no debt in regards to these assets as of June 30, 2020. An additional portion of the Village's net position presents resources that are subject to restrictions on how they may be used and are classified as such. The remaining negative balance consists of resources that are unrestricted.

**Governmental Activities**

The governmental activities of the Village include general government, public safety, and public works. Sales taxes, franchise taxes, occupational licenses and permits, fines and other revenues fund most of these governmental activities.

**Business-Type Activities**

The business-type activities of the Village are those that the Village charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Village's water department is reported here.

**VILLAGE OF SUN, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

A condensed summary of the statement of net position is presented in the following table for these activities:

	Governmental Activities		Business Type Activities		Total Government	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Current & Other Assets	\$ 288,603	\$ 328,507	\$ 68,286	\$ 137,355	\$ 356,889	\$ 465,862
Capital Assets, net	124,237	119,621	50,266	26,327	174,503	145,948
 Total Assets	 \$ 412,840	 \$ 448,128	 \$ 118,552	 \$ 163,682	 \$ 531,392	 \$ 611,810
 Total liabilities	 \$ 5,236	 \$ 1,367	 \$ 68,676	 \$ 72,673	 \$ 73,912	 \$ 74,040
Net Position:						
Net Investment in						
Capital Assets	124,237	119,621	50,266	26,327	174,503	145,948
Restricted	320,609	271,381			320,609	271,381
Unrestricted	(37,241)	55,759	(390)	64,682	(37,631)	120,441
 Net Position	 \$ 407,604	 \$ 446,761	 \$ 49,876	 \$ 91,009	 \$ 457,480	 \$ 537,770

Receivables are 6% and 14% of total assets at June 30, 2020 and 2019, respectively. Capital assets, net of accumulated depreciation, are approximately 37% and 24% of total assets at June 30, 2020 and 2019, respectively. Capital assets are non-liquid assets and cannot be utilized to satisfy the Village's obligations.

Approximately 70% and 50% of the Village's net position is restricted at June 30, 2020 and 2019, respectively. The government's net position decreased \$80,290 and increased \$66,130 in the years ended June 30, 2020 and 2019, respectively.

General revenues are those available for the Village to use to pay for the governmental activities described above. Program revenues are those available for the Village to use to pay for specific program expenses. In the following table, we show the general government expenses, which include salaries, building costs, alderman fees, depreciation, and other general administration costs. Public safety expenses encompass the police department. The following table on the next page shows a summary of the Village's statement of activities:

**VILLAGE OF SUN, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

	<u>Governmental</u>		<u>Business Type</u>		<u>Total Primary Gov't</u>	
	<u>Activities</u>		<u>Activities</u>			
<b>Revenues:</b>	6/30/2020	6/30/2019	6/30/2020	6/30/2019	6/30/2020	6/30/2019
<b><u>General Revenues</u></b>						
Taxes	\$ 66,539	\$ 72,280	\$ -	\$ -	\$ 66,539	\$ 72,280
Fines and forfeitures	40,572	21,452			40,572	21,452
Franchise fees	19,789	20,501			19,789	20,501
Licenses	11,078	13,920			11,078	13,920
Skating rink revenue	12,868	19,524			12,868	19,524
Mowing contract revenue	7,100	10,650			7,100	10,650
Video bingo revenue	25,908	35,103			25,908	35,103
Investment earnings	505	612	72	83	577	695
Other general revenues	5,022	5,788			5,022	5,788
<b>Total general revenues</b>	<b>\$ 189,381</b>	<b>\$ 199,830</b>	<b>\$ 72</b>	<b>\$ 83</b>	<b>\$ 189,453</b>	<b>\$ 199,913</b>
<b><u>Program Revenues</u></b>						
Capital grants and contributions	-	6,760	-	9,932	-	16,692
Charges for services			36,988	53,391	36,988	53,391
<b>Total program revenues</b>	<b>-</b>	<b>6,760</b>	<b>36,988</b>	<b>63,323</b>	<b>36,988</b>	<b>70,083</b>
<b>Total Revenues</b>	<b>\$ 189,381</b>	<b>\$ 206,590</b>	<b>\$ 37,060</b>	<b>\$ 63,406</b>	<b>\$ 226,441</b>	<b>\$ 269,996</b>
<b><u>Expenses:</u></b>						
General government	\$ 199,218	\$ 148,201	\$ -	\$ -	\$ 199,218	\$ 148,201
Public safety	29,320	6,566			29,320	6,566
Waterworks			78,192	49,099	78,192	49,099
<b>Total expenses</b>	<b>\$ 228,538</b>	<b>\$ 154,767</b>	<b>\$ 78,192</b>	<b>\$ 49,099</b>	<b>\$ 306,730</b>	<b>\$ 203,866</b>
<b>Change in Net Position</b>	<b>\$(39,157)</b>	<b>\$ 51,823</b>	<b>\$(41,133)</b>	<b>\$ 14,307</b>	<b>\$(80,289)</b>	<b>\$ 66,130</b>
<b>Net Position - Beginning of Year</b>	<b>446,761</b>	<b>394,938</b>	<b>91,009</b>	<b>76,702</b>	<b>537,770</b>	<b>471,640</b>
<b>Net Position - End of year</b>	<b>\$ 407,604</b>	<b>\$ 446,761</b>	<b>\$ 49,876</b>	<b>\$ 91,009</b>	<b>\$ 457,480</b>	<b>\$ 537,770</b>

**VILLAGE OF SUN, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

**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 legal requirements. All of the funds of the Village can be divided into two categories: governmental funds and proprietary funds.

- A. Governmental funds are used to account for most of the Village's basic services reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using modified accrual 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 you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs.

Because 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 the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison: between governmental funds and governmental activities. These reconciling statements are located on pages 12 and 14.

The Village maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and special revenue funds, which are considered to be major revenue funds.

The basic governmental fund financial statements can be found on pages 11 and 13 of the report.

**Financial Analysis of the Government Funds**

As of the end of the current year, the Village's governmental funds reported combined ending fund balances of \$246,254. The net decrease in fund balance during the current year in the governmental funds was \$43,774.

Proprietary funds - Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for its water/garbage department. Proprietary funds provide the same type of information as the government-wide financial statements only in more detail. The proprietary fund financial statements provide separate information for the water/garbage department, which is considered to be a major fund of the Village. The basic proprietary fund financial statements can be found on pages 15 through 17 of this report.

**VILLAGE OF SUN, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

**NOTES TO THE FINANCIAL STATEMENTS**

The notes to the financial statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18 through 27 of this report.

**GOVERNMENTAL FUND BUDGETARY HIGHLIGHTS**

The budget was prepared in accordance with the provisions of the Local Government Budget Act. The following are significant variations between the budget and actual amounts.

1. Actual revenues and other financing sources were lower than budgeted total revenues and other financing sources by \$141,379 or 43%.
2. Total actual expenditures were higher than total budgeted expenditures by \$30,644 or 2%.

**CAPITAL ASSETS**

The following summarizes the Village's investment in capital assets at June 30, 2020 and 2019.

	<u>6/30/2020</u>	<u>6/30/2019</u>
Capital Assets	\$796,548	\$753,766
Less accumulated depreciation	<u>622,045</u>	<u>607,819</u>
Capital Assets, net	<u>\$174,503</u>	<u>\$145,947</u>

The Village purchased \$42,781 of capital assets from July 1, 2019 to June 30, 2020 consisting of new skates for the skating rink, improvements to the water tower, and new office computers.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Village's finances for all of 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 Will Talley, Mayor, P.O. Box 818, Sun, Louisiana 70463.

## **BASIC FINANCIAL STATEMENTS**



**VILLAGE OF SUN, LOUISIANA**  
**STATEMENT OF NET POSITION**  
**June 30, 2020**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 95,032	\$ 60,505	\$ 155,537
Restricted Cash and cash equivalents	86,421	-	86,421
Investments	19,177	-	19,177
Receivables (net of allowances for uncollectibles)	21,629	7,781	29,410
Due from other funds	65,072	-	65,072
Prepaid Expenses	1,272	-	1,272
Land	9,980	-	9,980
Buildings, improvements, and equipment (net)	114,257	-	114,257
Utility plant and equipment (net)	-	50,266	50,266
<b>TOTAL ASSETS</b>	<u><u>\$ 412,840</u></u>	<u><u>\$ 118,552</u></u>	<u><u>\$ 531,392</u></u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 1,956	\$ 3,604	\$ 5,560
Due to other funds	-	65,072	65,072
Payroll Tax Liabilities	3,280	-	3,280
<b>TOTAL LIABILITIES</b>	<u><u>\$ 5,236</u></u>	<u><u>\$ 68,676</u></u>	<u><u>\$ 73,912</u></u>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 124,237	\$ 50,266	\$ 174,503
Restricted for:			
Public improvements	294,944	-	294,944
Waterworks maintenance	25,665	-	25,665
Unrestricted	(37,242)	(390)	(37,632)
<b>TOTAL NET POSITION</b>	<u><u>\$ 407,604</u></u>	<u><u>\$ 49,876</u></u>	<u><u>\$ 457,480</u></u>

**VILLAGE OF SUN, LOUISIANA**  
**STATEMENT OF ACTIVITIES**  
**June 30, 2020**

	<u>Program Revenues</u>				<u>Net (Expenses)/Revenues and Changes in Net Position</u>		
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	Total
<b>GOVERNMENTAL ACTIVITIES</b>							
General Government	\$ 199,218	\$ -	\$ -	\$ -	\$ (199,218)	\$ -	\$ (199,218)
Public Safety	29,320	-	-	-	\$ (29,320)	-	(29,320)
Total governmental activities	\$ 228,538	\$ -	\$ -	\$ -	\$ (228,538)	\$ -	\$ (228,538)
<b>BUSINESS -TYPE ACTIVITIES</b>							
Waterworks	\$ 78,192	\$ 36,988	\$ -	\$ -	\$ -	\$ (41,204)	\$ (41,204)
Total business-type activities	\$ 78,192	\$ 36,988	\$ -	\$ -	\$ -	\$ (41,204)	\$ (41,204)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 306,730</b>	<b>\$ 36,988</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (228,538)</b>	<b>\$ (41,204)</b>	<b>\$ (269,742)</b>
<b><u>GENERAL REVENUES</u></b>							
Taxes					\$ 66,539	\$ -	\$ 66,539
Fines and forfeitures					40,572	-	40,572
Franchise fees					19,789	-	19,789
Licenses					11,078	-	11,078
Skating rink revenue					12,868	-	12,868
Mowing contract revenue					7,100	-	7,100
Video bingo revenue					25,908	-	25,908
Investment earnings					505	71	576
Other general revenues					5,022	-	5,022
<b>TOTAL GENERAL REVENUES</b>					<b>\$ 189,381</b>	<b>\$ 71</b>	<b>\$ 189,452</b>
<b>CHANGE IN NET POSITION</b>					<b>\$ (39,157)</b>	<b>\$ (41,133)</b>	<b>\$ (80,290)</b>
<b>NET POSITION-Beginning of year</b>					446,761	91,009	537,770
<b>NET POSITION-End of year</b>					<b>\$ 407,604</b>	<b>\$ 49,876</b>	<b>\$ 457,480</b>

**VILLAGE OF SUN, LOUISIANA**  
**BALANCE SHEET**  
June 30, 2020

	<u>General Fund</u>	<u>Special Revenue Funds Sales and Use Tax</u>	<u>Special Sales Tax</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 95,032	\$ -	\$ -	\$ 95,032
Restricted Cash and cash equivalents	-	71,477	14,944	86,421
Investments	-	-	19,177	19,177
Receivables	14,529	7,100	-	21,629
Prepaid Insurance	1,271	-	-	1,271
Due From Other Funds	-	252,407	-	252,407
<b>TOTAL ASSETS</b>	<b>\$ 110,832</b>	<b>\$ 330,984</b>	<b>\$ 34,121</b>	<b>\$ 475,937</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 1,956	\$ -	\$ -	\$ 1,956
Due To Other Funds	216,052	-	8,395	224,447
Payroll Tax Liabilities	3,280	-	-	3,280
<b>TOTAL LIABILITIES</b>	<b>\$ 221,288</b>	<b>\$ -</b>	<b>\$ 8,395</b>	<b>\$ 229,683</b>
<b>FUND BALANCES</b>				
Restricted for public improvements	\$ -	\$ 330,984	\$ -	\$ 330,984
Restricted for water system operations and maintenance	-	-	25,726	25,726
Unassigned	(110,456)	-	-	(110,456)
<b>TOTAL FUND BALANCES</b>	<b>\$ (110,456)</b>	<b>\$ 330,984</b>	<b>\$ 25,726</b>	<b>\$ 246,254</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 110,832</b>	<b>\$ 330,984</b>	<b>\$ 34,121</b>	<b>\$ 475,937</b>

**VILLAGE OF SUN, LOUISIANA**  
**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCES**  
**TO THE STATEMENT OF NET POSITION**  
**June 30, 2020**

Amounts reported for governmental activities in the statement of net position are different because:

<b>Fund balances, total governmental funds</b>	<b>\$246,254</b>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	124,237
Interfund Transfers	<u>37,113</u>
<b>Net Position of governmental activities</b>	<b><u><u>\$407,604</u></u></b>

**VILLAGE OF SUN, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**FOR YEAR ENDED June 30, 2020**

	<u>General Fund</u>	<u>Sales and Use Tax</u>	<u>Special Sales Tax</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Taxes	\$ -	\$ 66,539	\$ -	\$ 66,539
Fines and forfeitures	-	40,572	-	40,572
Franchise fees	19,789	-	-	19,789
Licenses	11,078	-	-	11,078
Skating rink revenue	12,868	-	-	12,868
Mowing contract revenue	-	7,100	-	7,100
Video bingo revenue	25,908	-	-	25,908
Interest income	67	120	318	505
Other revenues	5,022	-	-	5,022
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL REVENUES</b>	\$ 74,732	\$ 114,331	\$ 318	\$ 189,381
<b>EXPENDITURES</b>				
General government	\$ 189,304	\$ -	\$ -	\$ 189,304
Public safety	-	29,320	-	29,320
Capital outlay	14,531	-	-	14,531
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL EXPENDITURES</b>	\$ 203,835	\$ 29,320	\$ -	\$ 233,155
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	\$ (129,103)	\$ 85,011	\$ 318	\$ (43,774)
<b>NET CHANGE IN FUND BALANCES</b>	\$ (129,103)	\$ 85,011	\$ 318	\$ (43,774)
<b>FUND BALANCES - Beginning of year</b>	<u>18,647</u>	<u>245,973</u>	<u>25,408</u>	<u>290,028</u>
<b>FUND BALANCES - End of year</b>	<u><u>\$ (110,456)</u></u>	<u><u>\$ 330,984</u></u>	<u><u>\$ 25,726</u></u>	<u><u>\$ 246,254</u></u>

**VILLAGE OF SUN, LOUISIANA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND**  
**TO THE STATEMENT OF ACTIVITIES**  
**June 30, 2020**

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

<b>Net changes in fund balances, total governmental funds</b>	<b>(\$43,774)</b>
Capital Outlay	14,531
Depreciation Expense	<u>(9,914)</u>
<b>Change in Net Position of governmental activities</b>	<b><u>(\$39,157)</u></b>

**VILLAGE OF SUN, LOUISIANA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND – WATERWORKS SYSTEM ENTERPRISE FUND**  
**June 30, 2020**

<b>ASSETS</b>	
Cash and cash equivalents	\$ 60,505
Receivables (net)	7,781
Utility plant and equipment	324,238
Accumulated depreciation	<u>(273,972)</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 118,552</u></u>
<b>LIABILITIES</b>	
Accounts Payable	\$ 3,604
Due to other funds	<u>65,072</u>
<b>TOTAL LIABILITIES</b>	\$ 68,676
<b>NET POSITION</b>	
Net Investment in Capital Assets	\$ 50,266
Unrestricted	<u>(390)</u>
<b>TOTAL NET POSITION</b>	<u>49,876</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u><u>\$ 118,552</u></u>

**VILLAGE OF SUN, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUND – WATERWORKS SYSTEM ENTERPRISE FUND**  
**FOR THE YEAR ENDED June 30, 2020**

<b>OPERATING REVENUES</b>	
Water and service charges	\$ 36,988
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 36,988</b>
<b>OPERATING EXPENSES</b>	
Billing and collecting expenses	\$ 1,064
Water operations and maintenance	44,765
Utilities and telephone	3,160
Wages	24,592
Depreciation	4,311
Other Operating Expenses	300
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 78,192</b>
<b>OPERATING INCOME</b>	<b>\$ (41,204)</b>
<b>NONOPERATING REVENUE</b>	
Interest Income	71
<b>TOTAL NONOPERATING REVENUE</b>	<b>71</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ (41,133)</b>
<b>NET POSITION - Beginning of year</b>	<b>91,009</b>
<b>NET POSITION - End of year</b>	<b>\$ 49,876</b>



**VILLAGE OF SUN, LOUISIANA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND – WATERWORKS SYSTEM ENTERPRISE FUND**  
**FOR THE YEAR ENDED June 30, 2020**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash receipts from customers	\$ 50,388
Cash receipts from grants	29,363
Cash receipts from interfund services	(7,601)
Cash payments to employees	(24,592)
Cash payments for operations	(45,685)

**NET CASH PROVIDED BY OPERATING ACTIVITIES**

1,873

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

Capital Assets Purchased	(28,250)
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**NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES**

(28,250)

**CASH FLOWS FROM INVESTING ACTIVITIES**

Receipts of Interest	71
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**NET CASH PROVIDED BY INVESTING ACTIVITIES**

71

**INCREASE IN CASH AND CASH EQUIVALENTS**

\$ (26,306)

**CASH AND CASH EQUIVALENTS - Beginning of year**

86,811

**CASH AND CASH EQUIVALENTS - End of year**

\$ 60,505

**TO CASH PROVIDED BY OPERATING  
ACTIVITIES:**

Operating Income	\$ (41,204)
Adjustments to reconcile change in net position to net cash provided by operating activities:	
Depreciation	4,311
Changes in operating assets and liabilities:	
Increase in Accounts Receivable	42,763
Increase in Accounts Payable	3,604
Interfund Transfers In	(7,601)

**NET CASH PROVIDED BY OPERATING ACTIVITIES**

\$ 1,873

**VILLAGE OF SUN, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Nature of Organization*** - The Village of Sun, Louisiana (the Village) was incorporated October 6, 1958 under the provisions of the Lawrason Act, Louisiana Revised Statutes (LSA-R.S.) 33:321-463. The Village operates under a Mayor-Board of Aldermen form of government. The Village provides police protection, maintenance of streets, and waterworks services.

***Basis of Presentation*** – The accompanying financial statements of the Village have been 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.

***Reporting Entity*** – The financial statements of the Village include all funds, account groups, and activities that are within the oversight responsibility of the Village. Certain units of local government, over which the Village exercises no oversight responsibility, such as the St. Tammany Parish Government, St. Tammany Parish School Board, independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from that of the Village.

As the municipal governing authority for reporting purposes, the Village is 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 the nature or significance of their relationship with the primary government are such that exclusion would cause the Village's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Village for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the Village to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Village.
2. Organizations for which the Village does not appoint a voting majority but are fiscally dependent on the Village.
3. Organizations for which the reporting entity financial statements would be misleading if the organization's data is not included because of the nature or significance of the relationship.

**VILLAGE OF SUN, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

***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 non fiduciary activities of the Village. For the most part, the effect of inter-fund 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.

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.

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. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities.

Separate financial statements are provided for governmental funds and the Village's proprietary fund. Individual governmental funds and the enterprise fund are reported 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. Grants and similar items are recognized as revenue 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 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 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.

Sales taxes, franchise taxes, gambling 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 Village.

**VILLAGE OF SUN, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

***Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued) -***

The Village reports the following major governmental funds:

General Fund

The general fund is the principal fund of the Village and accounts for all financial resources, except those required to be accounted for in other funds. General operating expenditures are paid from this fund.

Special Revenue Funds

Special revenue funds are used to account for proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specific purposes. The Village has two special revenue funds, described as follows:

Sales and Use Tax Fund

Proceeds of the one percent sales and use tax levied by the Village are dedicated to acquisition, maintenance, and construction of public roads, streets, sidewalks, bridges, recreational facilities, buildings, operating sewerage and water systems, and other permanent public improvements.

Special Sales and Use Tax Fund

Proceeds of the special one percent sales and use tax levied by the Village after paying reasonable and necessary costs and expenses of collecting and administering the tax are dedicated for waterworks additions, improvements, extensions, and operation of the waterworks system.

The Village reports the following proprietary fund:

Proprietary Fund – Enterprise

An enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprise, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The waterworks system of the Village is funded primarily through user fees collected from approximately 253 customers of the system.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Village has elected not to follow subsequent private-sector guidance.

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

**VILLAGE OF SUN, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

***Measurement Focus, Basis of Accounting, and Financial Statement Presentation (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 non-operating 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. Principal operating revenues for the Village's proprietary fund consisted of charges to customers and users of water services. Operating expenses for the Village's proprietary fund included the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating 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*** – Cash includes amounts in time deposits and interest-bearing demand deposits.

Louisiana Revised Statutes authorize the Village to invest in (1) United States bonds, treasury notes or certificates, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal offices in the State of Louisiana, an investment as stipulated in LSA-R.S. 39:1271, any other federally insured investments or (2) in mutual or trust fund institutions, which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investments Act of 1940, and which have underlying investments consisting solely of, and limited to, securities of the US Government or its agencies. For purposes of the statement of cash flows, the proprietary fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

***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 "advances to/from other funds: (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds".

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

***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. 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.

**VILLAGE OF SUN, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

***Capital Assets (continued) –***

Capital outlays are recorded as expenditures in the fund financial statements. In accordance with GASB Codification, the Village is a Phase 3 government, and as such is not required to capitalize its infrastructure retroactively. The Village has decided to record its infrastructure on a prospective basis. The Village has capitalized its waterworks infrastructure. The Village capitalizes interest on construction in its proprietary fund. Capital outlays of the proprietary fund are recorded as fixed assets and depreciated over their estimated useful lives on a straight-line basis on both the fund financial statements and the government-wide financial statements. 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>
Land Improvements	20 years
Buildings and improvements	15-40 years
Water and sewer systems	40 years
Furniture and fixtures	7 years
Vehicles	5 years
Equipment	5-20 years

***Budget and Budgetary Accounting*** – Formal budgetary accounting is employed as a management control device during the year for the general fund and special revenue funds. Budgets are adopted for the general fund and special revenue funds on a basis consistent with generally accepted accounting principles (GAAP). All appropriations, which are not expended, lapse at year-end.

In accordance with the Louisiana Local Government Budget Act, the procedures used by the Village in establishing the budgetary data reflected in the financial statements include public notices of the proposed budget, public inspections, and public hearings. The Board of Aldermen then legally adopts the budget. Budgeted amounts included in the accompanying statements were adopted as amended by the Board of Aldermen as of June 30, 2020.

***Compensated Absences*** – The Village of Sun has a policy in effect for annual and sick leave. Sick leave is earned at the rate of one day per month worked, not to exceed 10 days in one year. Sick leave is not payable upon termination or resignation. Annual leave is earned at the rate of 5 days per year for employees with service of 5 years or less and 10 days for employees with service of greater than 5 years. The employees are covered under the Federal Insurance Contribution Act.

***Use of Estimates in the Preparation of Financial Statements*** – The preparation of the Village's financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect reported amounts of assets and liabilities as of June 30, 2020. Adjustments to the reported amounts of assets and liabilities may be necessary in the future to the extent that future estimates or actual results are different from the estimates used in the 2020 financial statements.

***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

**VILLAGE OF SUN, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

***Net Position in the Government Wide Financial Statements (continued)–***

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.

***Fund Balances*** – Beginning with fiscal year 2014, the Village implemented GASB Statement 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 balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- **Non-spendable fund balance** - amounts that are not in a spendable form (such as inventory or prepaid expenses) or are required to be maintained intact;
- **Restricted fund balance** - amounts constrained to specific purposes by their providers (such as grantor, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- **Committed fund balance** - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority by a vote of the Board of Aldermen; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- **Assigned fund balance** – amounts that do not meet the criteria to be classified as restricted or committed, but are intended to be used for specific purposes. The intent may be expressed by the Village of Sun's Board of Aldermen or by management of the Village of Sun by way of ordinances or resolutions.
- **Unassigned fund balance** - amounts that are available for any purpose; positive amounts are reported only in the general fund.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the Village considers restricted funds to have been spent first. When an expenditure is incurred for which other fund balances are available, the Village considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Village has provided otherwise in its commitment or assignment actions.



**VILLAGE OF SUN, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**NOTE B – CASH AND CASH EQUIVALENTS**

At June 30, 2020 the Village had cash and cash equivalents (book balances) totaling \$241,958 of which \$155,537 is unrestricted and \$86,421 is restricted.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. The 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 June 30, 2020, the Village had \$243,253 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance for each account as of June 30, 2020.

**NOTE C – INVESTMENTS**

An investment of \$19,177, which is stated at cost and approximates market at June 30, 2020, is invested in the Louisiana Asset Management Pool, Inc. (LAMP). LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local governments 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 LSA - 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 a 2a7-like investment pool. The following facts are relevant for 2a7 like investment pools:

- Credit risk: LAMP is rated AAAm by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest Rate Risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investments is \$2,865,827,049 as of June 30, 2020.



**VILLAGE OF SUN, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**NOTE C – INVESTMENTS (continued)-**

- Foreign currency risk: Not applicable.

The investments in LAMP are stated at fair value based on quoted market rates. 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.

If you have any questions, please feel free to contact the LAMP administrative office at 800-249-5267.

**NOTE D – RECEIVABLES**

Receivables at June 30, 2020 consisted of the following:

	<b>General Fund</b>	<b>Special Revenue</b>	<b>Proprietary</b>	<b>TOTAL</b>
Taxes & Mowing	\$ 12,294	\$ 7,100	\$ -	\$ 19,394
Grants	635		1,562	2,197
Water Service Charges			6,219	6,219
Restitution	1,600			1,600
<b>Total Receivables</b>	<b>\$ 14,529</b>	<b>\$ 7,100</b>	<b>\$ 7,781</b>	<b>\$ 29,410</b>

The management of the Village believes that all receivables are collectible.

**NOTE E – RESTITUTION**

On August 15, 2018, information was received by the Village's office regarding misappropriation of funds by the police officer, Jacob Walker. On that same day, the Mayor of the Village of Sun reported the incident to the District Attorney's office. He was instructed not to relieve the officer of his duties until more evidence was collected. The police officer was fired on September 14, 2018. The District Attorney continued the investigation until the former officer was indicted on November 13, 2018 for allegedly pocketing traffic ticket money and failing to submit evidence to the crime lab. According to the investigation, the former police officer is accused of keeping about \$2,500 he collected from citizens at the police station for traffic violations from February 8, 2018 through August 13, 2018 and failing to submit narcotics evidence to the crime lab during a traffic stop on December 18, 2017. On May 22, 2019, the District Attorney's office informed the Village that the former police officer would pay \$2,500 in restitution to the Village of Sun. Those payments began in August 2019. The restitution balance as of June 30, 2020 was \$1,600.

**VILLAGE OF SUN, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**NOTE F – CAPITAL ASSETS**

The following is a summary of the change in capital assets of the governmental activities for the fiscal year ended June 30, 2020:

Governmental Activities	June 30, 2019	Additions	Deletions	June 30, 2020
Capital Assets not being depreciated:				
Land	\$ 9,980	\$ -	\$ -	\$ 9,980
Capital Assets being depreciated:				
Buildings and improvements	\$ 258,378	\$ -	\$ -	\$ 258,378
Equipment	189,420	14,531	-	203,951
Total capital assets being depreciated	447,798	14,531	-	462,329
Less accumulated depreciation for:				
Buildings and improvements	158,647	5,693	-	164,340
Equipment	179,511	4,221	-	183,732
	338,158	9,914	-	348,072
Total capital assets after depreciation	\$ 119,620	\$ 4,617	\$ -	\$ 124,237
Proprietary Fund-Waterworks	June 30, 2019	Additions	Deletions	June 30, 2020
Capital Assets being depreciated:				
Buildings and improvements	\$ 216,210	\$ -	\$ -	\$ 216,210
Equipment	79,778	28,250	-	108,028
Total capital assets being depreciated	295,988	28,250	-	324,238
Less accumulated depreciation for:				
Buildings and improvements	194,841	2,043	-	196,884
Equipment	74,820	2,268	-	77,088
	269,661	4,311	-	273,972
Total capital assets after depreciation	\$ 26,327	\$ 23,939	\$ -	\$ 50,266

**VILLAGE OF SUN, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2020**

**NOTE G - LIABILITIES**

The payables at June 30, 2020 consist of accrued payroll liabilities in the amount of \$3,280, accounts payable of \$5,560, and inter-fund balances as detailed in Note I.

**NOTE H – UTILITY DEPOSITS**

Subsidiary records of customer liability utility deposits are not maintained; therefore, the actual liability of customer utility deposits could not be determined or recorded in the financial statements as of June 30, 2020. Refunds of utility deposits are recorded as a reduction to utility income in the period they are refunded. Management believes that utility deposit and subsequent refunds are not material to the financial statements in the current period.

**NOTE I - INTER-FUND TRANSACTIONS**

Inter-fund balances result from the payment of expenses through different bank accounts. Individual balances due from/to other funds at June 30, 2020 were as follows:

<u>Fund</u>	<u>Inter-fund Receivables</u>	<u>Inter-fund Payables</u>
General Fund		\$216,052
Sales and Use Tax Fund	\$252,407	
Special Sales and Use Tax Fund		8,395
Proprietary Fund	37,113	65,072
<b>TOTAL:</b>	<b>\$289,520</b>	<b>\$289,520</b>

**NOTE J – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, March 2, 2021 and several events warranted disclosure.

On August 15, 2020, the Village Clerk was removed from office due to embezzlement of the Village of Sun's funds, including skating rink revenues and money from police citations. It is estimated that a total of \$4,705.95 was stolen by the Clerk. At this time, the investigation is ongoing and the clerk is expected to go to court in early spring 2021.

In August 2020, a grant was awarded to the Village of Sun in the amount of \$18,925 for Town Hall improvements.

In December 2020, another grant was awarded to the Village of Sun for \$19,448 for the purchase of new water meters.

In March 2020, the World Health Organization classified the COVID-19 outbreak a pandemic, based on the rapid increase in infection rates globally. The impact of COVID-19 outbreak continues to evolve as of the date of the release of these financial statements. As such, the full impact that the pandemic will have on the Village's operations and financial reporting is unknown at this time.

**REQUIRED SUPPLEMENTARY INFORMATION**

**PART II**

**VILLAGE OF SUN, LOUISIANA**  
**BUDGETARY COMPARISON SCHEDULE**  
**GOVERNMENTAL FUNDS**  
**June 30, 2020**

	<b>ACTUAL</b>	<b>ORIGINAL BUDGET</b>	<b>FINAL BUDGET</b>	<b>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</b>	<b>% OF VARIANCE</b>
<b>REVENUES</b>					
Taxes	\$ 66,539	\$ 75,000	\$ 75,000	\$ (8,461)	-11%
Government grants & contracts	-	37,685	37,685	(37,685)	-100%
Fines, Forfeitures, & Fees	40,572	33,136	38,602	1,970	5%
Franchise fees	19,789	17,080	17,080	2,709	16%
Licenses	11,078	21,837	21,837	(10,759)	-49%
Skating Rink Revenue	12,868	17,205	20,000	(7,132)	-36%
Mowing Contract Revenue	7,100	14,000	14,000	(6,900)	-49%
Video Bingo Revenue	25,908	48,000	48,000	(22,092)	-46%
Interest Income	505	455	455	50	11%
Other Revenues	5,022	35,209	58,101	(53,079)	-91%
<b>Total Revenues</b>	<b>\$ 189,381</b>	<b>\$ 299,607</b>	<b>\$ 330,760</b>	<b>\$ (141,379)</b>	<b>-43%</b>
<b>EXPENDITURES</b>					
General Government	\$ 189,304	\$ 113,034	\$ 169,911	\$ (19,393)	-11%
Public Safety	29,320	1,000	15,000	(14,320)	-95%
Recreation	-	3,800	17,600	17,600	100%
Capital outlay	14,531	-	-	(14,531)	#DIV/0!
<b>Total Expenditures</b>	<b>233,155</b>	<b>117,834</b>	<b>202,511</b>	<b>(30,644)</b>	<b>-15%</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>\$ (43,774)</b>	<b>\$ 181,773</b>	<b>\$ 128,249</b>	<b>\$ (172,023)</b>	<b>-134%</b>
<b>Fund Balances- Beginning of Year</b>	<b>290,028</b>	<b>290,028</b>	<b>290,028</b>	<b>-</b>	<b>0%</b>
<b>Fund Balances- End of Year</b>	<b>\$ 246,254</b>	<b>\$ 471,801</b>	<b>\$ 418,277</b>	<b>\$ (172,023)</b>	<b>-41%</b>

**VILLAGE OF SUN, LOUISIANA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2020**

**Excess Expenditures over Appropriations**

For the fiscal year ending June 30, 2020, the overall expenditures for the governmental funds were above the budgeted amounts by 15% and the overall revenues were below budgeted amounts by 43%, both unfavorable outcomes. Both unfavorable outcomes stem from the creation of unrealistic budgeted amounts, COVID-19 related revenue reductions, and the significant increase in office supplies and payroll costs.

**VILLAGE OF SUN, LOUISIANA**  
**SCHEDULE OF COMPENSATION PAID TO THE AGENCY HEAD**  
**June 30, 2020**

Schedule Required by State Law LSA RS 24:513A(1)(a)(3)

**Agency Head Name:**

**Will Talley**

**Type**

**Amount**

Salary

\$ 20,000

**TOTAL**

**\$ 20,000**

**SCHEDULE REQUIRED BY STATE LAW LSA RS 24:513A(1)(a)(3)**



**VILLAGE OF SUN, LOUISIANA**  
**SCHEDULE OF COMPENSATION PAID TO ALDERMEN**  
**June 30, 2020**

As shown on this schedule, compensation paid to the aldermen is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. As provided by Louisiana Revised Statute 33:405(G), the aldermen received \$50 per month the attend board meetings through October 2019, then approved by ordinance \$75 thereafter. The Village pays the aldermen an additional \$25 for unscheduled or special meetings.

<u><b>Alderman</b></u>	<u><b>Number of Payments</b></u>	<u><b>Amount</b></u>
Julie Gauthier (resigned November 2019)	5	\$ 400
Joseph Brian Blackwell	13	850
Mark Hall (appointed January 2020)	6	450
Scott Meiners	13	<u>775</u>
<b>TOTAL</b>		<u><u><b>\$ 2,475</b></u></u>

**VILLAGE OF SUN, LOUISIANA**  
**SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS**  
**June 30, 2020**

***Section I - Material Weakness Identified During the Review***

**2020-1**

**Misappropriation of Funds due to Fraud**

Criteria	Proper internal controls should be in place to ensure that there are no misappropriation of funds.
Condition	There were not adequate internal controls in place, such as reconciliations or management oversight, in place to detect the misappropriation of funds by anyone employed with the Village of Sun.
Cause	On August 15, 2020, the Mayor discovered evidence of embezzlement from the Village's finances.
Effect	The Village of Sun's clerk is accused of keeping approximately \$4,706 she collected from citizens resulting from traffic citations and skating rink parties. At this time, it is unknown, as of March 2, 2021, if the amount of funds misappropriated has increased through more investigative procedures by the District Attorney and a court date is expected to occur in early spring 2021.
Recommendation	The Village of Sun should implement policies and procedures for the reconciliation of traffic tickets and receipts for payments.
Management's Response and Corrective Action Plan	The Village has implemented a check and balance system to avoid future opportunities for this type of theft. The new system requires the clerk to balance daily with the water department payments and any other payments. This system now requires that the daily payments be completely balanced and a deposit prepared. This daily sheet is then signed by the Mayor, the Clerk and then reconciled by the bookkeeper.

**2020-2**

**Internal Controls over Payroll Processing**

Criteria	Control procedures involving payroll processing are required in order to reduce the likelihood that a material misstatement will not be prevented or detected on a timely basis and a misappropriation of funds does not occur.
Condition	There are not adequate policies and procedures involving payroll processing.
Cause	Timesheets are being signed off on, but not thoroughly reviewed.
Effect	Overtime hours were paid to an employee without proper authorization from management.

Recommendation The Village of Sun should implement policies and procedures involving payroll processing so that proper approval for hours are authorized and reviewed.

Management's Response and Corrective Action Plan The new policy implemented by the Village states that no employee is paid overtime. Instead, time is credited to comp time in the event of an overage with the approval of the Mayor.

## ***Section II - Compliance and Other Matters***

### **2020-3**

#### **Timely Adoption of Budget-Repeat Finding**

Criteria Louisiana law R.S. 39:1309 states that a budget should be adopted before the end of the prior fiscal year.

Condition The Village of Sun did not follow the policy in place for the timely adoption of the budget.

Cause There are no monitoring safeguards involving the budget process.

Effect The budget was not adopted in accordance with state statute.

Recommendation The Village of Sun should take measures to ensure that the budget for the next fiscal year is adopted in the monthly meeting before the end of the fiscal year.

Management's Response and Corrective Action Plan The Village will prepare and adopt a fiscal budget prior to year end.

### **2020-4**

#### **Budget Amendments**

Criteria Louisiana Revised Statute R.S.39:1311 requires the amendment of a budget when revenues and expenditures vary unfavorably by 5% or greater.

Condition The Village of Sun did not appropriately amend the budget as needed.

Cause The Village of Sun didn't actively monitor actual versus budgeted financials regularly and the original budget numbers were calculated incorrectly.

Effect Although the Village of Sun did amend the budget once during the fiscal year, the revenues and expenditures of the Village varied unfavorably by more than 5% at the end of the fiscal year end.

Recommendation The Village of Sun should create a review process regarding the preparation of the budget and actively monitor actual versus budgeted financials to ensure the budget is amended when needed.

Management's Response and Corrective Action Plan The Village has created procedures to monitor budget to actual amounts regularly.

**2020-5**

**Violation of Article VII Section 14 of the Louisiana Constitution**

Criteria	Article VII Section 14 of the Louisiana State Constitution prohibits the donation or loan of public funds.
Condition	The Village of Sun purchased gift cards for employees for the holidays.
Cause	The Village of Sun isn't aware of certain prohibited uses of public funds.
Effect	The Village of Sun has violated Article VII Section 14 of the Louisiana Constitution.
Recommendation	The Village of Sun update their knowledge and understanding of violations of Article VII Section 14 of the Louisiana Constitution to ensure that no public funds illegally.
Management's Response and Corrective Action Plan	The Village of Sun has implemented new policies and procedures to prohibit the purchasing of gift cards for employees.

**VILLAGE OF SUN, LOUISIANA**  
**SCHEDULE OF PRIOR YEAR FINDING**  
**June 30, 2019**

***Section I - Compliance and Other Matters***

**2019-1**

**Timely Adoption of Budget**

Criteria

Louisiana law R.S. 39:1309 states that a budget should be adopted before the end of the prior fiscal year.

Condition

The Village of Sun has no policy in place for the timely adoption of the budget.

Cause

A new mayor and two aldermen were elected into office effective July 1, 2019.

Effect

The budget was not adopted in accordance with state statute.

Recommendation

The Village of Sun should take measures to ensure that the budget for the next fiscal year is adopted in the monthly meeting before the end of the fiscal year.

Management's Response and  
Corrective Action Plan

When the new mayor took office in July 2019, new policies and procedures were written to include the timely adoption of the yearly budget.

**UNRESOLVED**

# ROBERT A. NEILSON

CERTIFIED PUBLIC ACCOUNTANT, L.L.C.

ROBERT A. NEILSON

MEMBER  
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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT ON APPLYING AGREED-UPON PROCEDURES FOR COMPLIANCE WITH LAWS AND REGULATIONS

Honorable Will Talley, Mayor  
And Members of the Board of Aldermen  
Village of Sun, Louisiana

I have performed the procedures enumerated below, which were agreed to by the management of the Village of Sun, and the Legislative Auditor, State of Louisiana solely to assist the users in evaluating management's assertions about the Village's compliance with certain laws and regulations during the year ended June 30, 2020 included in the accompanying Louisiana Attestation Questionnaire. Management of the Village of Sun is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, I 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.

My procedures and findings are as follows:

### Public Bid Law

1. Obtain documentation for all expenditures made during the year for material and supplies exceeding \$30,000, and public works exceeding \$157,700. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1775 (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.

- *There was nothing purchased during the fiscal period that required public bids.*

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

2. Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the ethics law).
  - *The Village provided this information.*
3. Obtain a list of all employees paid during the fiscal year.
  - *The Village provided this information.*
4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.
  - *None of the employees in Procedure 3 are included on the list from Procedure 2.*
5. Obtain a list of all disbursements made during the year; and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.
  - *There were no payments made to any parties noted above.*

### **Budgeting**

6. Obtain a copy of the legally adopted budget and all amendments.
  - *The Village provided a copy of 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 adoption of the original budget could be traced to the board meeting minutes. However, the adoption of the original budget for year 2019-2020 was not completed prior to end of the fiscal year June 30, 2019. See finding related 2020-3.*
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.
  - *The budget was amended in March 2020, but revenues were still under budgeted amounts and expenditures were over budgeted amounts by more than 5%. See related finding 2020-4.*

### **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, (b) report whether the six disbursements are coded to the correct fund and general ledger account, and (c) report whether the six disbursements were approved in accordance with management's policies and procedures.
  - *All six disbursements randomly selected matched the invoice, was coded properly, and was appropriately approved.*

### **Meetings**

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 (the open meetings law); and report whether there are any exceptions.
  - *The Village of Sun is required by law to post a notice of each meeting and the accompanying agenda on the door of the Town Hall. Management has asserted that such documents were properly posted.*

### **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.
  - *No deposits were related to the proceeds of bank loans, bonds, or indebtedness.*

### **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.
  - *Reading of the minutes, inspection of payroll records, and examination of credit card statements indicated a few instances of gifts to employees in the form of gift cards and unauthorized payments to employees via overtime hours paid without authorization. See related findings 2020-2 and 2020-5.*

**State Audit Law**

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

- *For the fiscal year ending, June 30, 2020, the Village of Sun was not in compliance with this law. The Village of Sun filed an extension related to the COVID-19 pandemic.*

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 Village did not enter into any contracts as referenced above.*

**Prior-Year Comments**

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

- *My review report dated March 2, 2021 contains a schedule of prior year findings (pages 34-36) that indicates the status of each of the findings.*

I was not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the information and use of the specified users listed above and is not intended to be and should not be used by anyone other than those specified parties.



Robert A. Neilson, CPA  
Bogalusa, Louisiana  
March 2, 2021



**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Governmental Agencies)**

Dear Chief Executive Officer:

Attached is the Louisiana Attestation Questionnaire that is to be completed by you or your staff. This questionnaire is a required part of the review/attestation engagement of Louisiana governmental agencies. The completed and signed questionnaire must be presented to and adopted by the governing body, if any, of your organization by means of a formal resolution in an open meeting. Independently elected government officials should sign the document, in lieu of such a resolution.

The completed and signed attestation questionnaire and a copy of the adoption instrument, if appropriate, **must be given to the independent certified public accountant at the beginning of the engagement.** The CPA will, during the course of his/her engagement, perform certain agreed-upon procedures to the responses in the questionnaire. It is not necessary to return the questionnaire to the Legislative Auditor's office.

Certain portions of the questionnaire may not be applicable to your organization. In such cases, it is appropriate to mark the representation "not applicable." However, you must respond to each applicable representation. A 'yes' answer indicates that you have complied with the applicable law or regulation. A 'no' answer to any representation indicates a possible violation of law or regulation and, as such, should be fully explained. These matters will be reviewed by the CPA during the course of his/her engagement. Please feel free to attach a further explanation of any representation.

Your cooperation in this matter will be greatly appreciated.

Sincerely,

Daryl G. Purpera, CPA, CFE  
Louisiana Legislative Auditor

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Governmental Agencies)**

\_\_\_\_\_ (Date Transmitted)

\_\_\_\_\_ (CPA Firm Name)

\_\_\_\_\_ (CPA Firm Address)

\_\_\_\_\_ (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of \_\_\_\_\_ (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 public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes [☒] No [ ]

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

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

Yes [☒] No [ ]

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

Yes [☒] No [ ]

**Budgeting**

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

Yes [☒] No [ ]

**Accounting and Reporting**

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

Yes [☒] No [ ]

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

Yes [☒] No [ ]

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

Yes [☒] No [ ]

We 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 [ ]

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

Yes [☒] No [ ]

**Meetings**

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

Yes [☒] No [☐]

**Debt**

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

Yes [☒] No [☐]

**Advances and Bonuses**

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

Yes [☒] No [☐]

**Prior-Year Comments**

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

Yes [☒] No [☐]

**General**

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

Yes [☒] No [☐]

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

Yes [☒] No [☐]

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

Yes [☒] No [☐]

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes [☒] No [☐]

We have provided 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 [☐]

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes [☒] No [☐]

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

Ina Alexie, Bookkeeper

Secretary

01/10/2021

Date

Treasurer

Date

President

Date