

VILLAGE OF PARKS, LOUISIANA

Financial Report

Year Ended June 30, 2023

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INDEPENDENT AUDITORS' REPORT

The Honorable Kevin J. Kately, Mayor
and the Members of the Board of Aldermen
Village of Parks, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Parks, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Parks, Louisiana, as of June 30, 2023, and the respective changes in financial position, and where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village of Parks and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village of Parks, Louisiana's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village of Parks' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village of Parks' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedule of employer's share of net pension liability, the schedule of employer contributions, and notes to the required supplementary information on pages 41 through 45 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards

Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by the missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Parks, Louisiana's basic financial statements. The Justice System Funding Reporting Schedule (reporting schedule) was created by Act 87 of the Louisiana 2020 Regular Legislative Session. This reporting schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the reporting schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2023, on our consideration of the Village of Parks' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village of Parks' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Parks' internal control over financial reporting and compliance.

Champagne & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
October 30, 2023

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

VILLAGE OF PARKS, LOUISIANA

Statement of Net Position
June 30, 2023

| | Governmental Activities | Business-Type Activities | Total |
|----------------------------------------|----------------------------|-----------------------------|---------------------|
| ASSETS | | | |
| Current assets: | | | |
| Cash and interest-bearing deposits | \$ 428,944 | \$ 2,838,305 | \$ 3,267,249 |
| Receivables | 79,560 | 307,584 | 387,144 |
| Prepaid items | 19,619 | 28,240 | 47,859 |
| Internal balances | (80,223) | 80,223 | - |
| Total current assets | <u>447,900</u> | <u>3,254,352</u> | <u>3,702,252</u> |
| Noncurrent assets: | | | |
| Restricted assets: | | | |
| Cash and interest-bearing deposits | 308,003 | 261,880 | 569,883 |
| Capital assets: | | | |
| Non-depreciable | 66,874 | 111,327 | 178,201 |
| Depreciable, net | <u>1,681,911</u> | <u>1,050,134</u> | <u>2,732,045</u> |
| Total noncurrent assets | <u>2,056,788</u> | <u>1,423,341</u> | <u>3,480,129</u> |
| Total assets | <u>2,504,688</u> | <u>4,677,693</u> | <u>7,182,381</u> |
| DEFERRED OUTFLOWS OF RESOURCES | <u>61,684</u> | <u>-</u> | <u>61,684</u> |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts, salaries, and other payables | 31,051 | 50,754 | 81,805 |
| Customer deposits payable | - | 261,880 | 261,880 |
| Unearned revenue | 62,137 | 80,151 | 142,288 |
| Bonds payable | <u>121,000</u> | <u>-</u> | <u>121,000</u> |
| Total current liabilities | <u>214,188</u> | <u>392,785</u> | <u>606,973</u> |
| Noncurrent liabilities: | | | |
| Net pension liability | 147,572 | - | 147,572 |
| Bonds payable | <u>541,000</u> | <u>-</u> | <u>541,000</u> |
| Total noncurrent liabilities | <u>688,572</u> | <u>-</u> | <u>688,572</u> |
| Total liabilities | <u>902,760</u> | <u>392,785</u> | <u>1,295,545</u> |
| DEFERRED INFLOWS OF RESOURCES | <u>26,897</u> | <u>-</u> | <u>26,897</u> |
| NET POSITION | | | |
| Net investment in capital assets | 1,148,527 | 1,161,461 | 2,309,988 |
| Restricted for: | | | |
| Public works / construction | 34,777 | - | 34,777 |
| Police | 81,486 | - | 81,486 |
| Unrestricted | <u>371,925</u> | <u>3,123,447</u> | <u>3,495,372</u> |
| Total net position | <u>\$ 1,636,715</u> | <u>\$ 4,284,908</u> | <u>\$ 5,921,623</u> |

The accompanying notes are an integral part of this statement.

VILLAGE OF PARKS, LOUISIANA

Statement of Activities
For the Year Ended June 30, 2023

| Activities | Expenses | Program Revenues | | | Net (Expense) Revenues and Changes in Net Position | | |
|--------------------------------------------------|--------------|---------------------------------------|------------------------------------|----------------------------------|----------------------------------------------------|--------------------------|--------------|
| | | Fees, Fines, and Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| Governmental activities: | | | | | | | |
| General government | \$ 190,482 | \$ 7,908 | \$ - | \$ - | \$ (182,574) | \$ - | \$ (182,574) |
| Public safety | 321,702 | - | - | - | (321,702) | - | (321,702) |
| Culture and recreation | 19,841 | 15,870 | - | 36,874 | 32,903 | - | 32,903 |
| Total governmental activities | 532,025 | 23,778 | - | 36,874 | (471,373) | - | (471,373) |
| Business-type activities: | | | | | | | |
| Water & waste | 1,378,784 | 1,712,012 | - | 127,995 | - | 461,223 | 461,223 |
| Total business-type activities | 1,378,784 | 1,712,012 | - | 127,995 | - | 461,223 | 461,223 |
| Total | \$ 1,910,809 | \$ 1,735,790 | \$ - | \$ 164,869 | (471,373) | 461,223 | (10,150) |
| General revenues: | | | | | | | |
| Taxes - | | | | | | | |
| Sales and use taxes, levied for general purposes | | | | | 269,732 | - | 269,732 |
| Franchise and other taxes | | | | | 86,895 | - | 86,895 |
| Miscellaneous | | | | | 24,807 | - | 24,807 |
| Loss on disposal of asset | | | | | 1,519 | 3,646 | 5,165 |
| Transfers | | | | | 239,747 | (239,747) | - |
| Total general revenues and transfers | | | | | 622,700 | (236,101) | 386,599 |
| Change in net position | | | | | 151,327 | 225,122 | 376,449 |
| Net position - July 1, 2022 | | | | | 1,485,388 | 4,059,786 | 5,545,174 |
| Net position - June 30, 2023 | | | | | \$ 1,636,715 | \$ 4,284,908 | \$ 5,921,623 |

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTIONS

MAJOR FUNDS

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Sales Tax Fund -

To account for the collection of a 2% sales and use tax and its subsequent disbursement in accordance with the sales tax dedication. The proceeds of the 2% sales tax are dedicated to current operation purposes or the acquisition of furniture, fixtures, machinery, equipment, or other relatively minor or comparatively short-lived assets. Proceeds are currently employed to fund the operation of the police department.

Debt Service Fund

Debt Service Fund -

To account for repayment of the \$1,200,000 certificate of indebtedness series 2018 bonds.

Enterprise Fund

Utilities Fund -

The Village of Parks Utilities Fund is used to account for the provision of water and waste services to residents of the Village and outlying areas. The Village of Parks Utilities Fund is used to account for operations that are financed and operated in a manner 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.

NONMAJOR FUNDS

Park Commission Fund -

To account for the receipt and use of fees assessed for utilization of the park facilities located in and maintained by the Village of Parks.

Capital Projects Fund -

To account for construction of new town hall funded by \$1,200,000 certificate of indebtedness series 2018 bonds.

VILLAGE OF PARKS, LOUISIANA

Balance Sheet
Governmental Funds
June 30, 2023

| | Major Funds | | | | Total |
|----------------------------------------|-------------------|---------------------------------|-------------------------|-------------------|-------------------|
| | General | Sales Tax Special Revenue | Debt Service Fund | Nonmajor Funds | |
| ASSETS | | | | | |
| Cash and interest-bearing deposits | \$ 418,155 | \$ 209,455 | \$ 63,771 | \$ 45,566 | \$ 736,947 |
| Receivables: | | | | | |
| Taxes and licenses | - | 29,032 | - | - | 29,032 |
| Other | 13,654 | - | - | 36,874 | 50,528 |
| Due from other funds | - | 3,760 | - | - | 3,760 |
| Prepaid items | - | 19,619 | - | - | 19,619 |
| Total assets | <u>\$ 431,809</u> | <u>\$ 261,866</u> | <u>\$ 63,771</u> | <u>\$ 82,440</u> | <u>\$ 839,886</u> |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts, salaries, and other payables | \$ 814 | \$ 7,824 | \$ - | \$ - | \$ 8,638 |
| Due to other governmental units | - | 22,413 | - | - | 22,413 |
| Due to other funds | 13,567 | 68,387 | 2,029 | - | 83,983 |
| Unearned revenue | - | 62,137 | - | - | 62,137 |
| Total liabilities | <u>14,381</u> | <u>160,761</u> | <u>2,029</u> | <u>-</u> | <u>177,171</u> |
| Fund balances - | | | | | |
| Nonspendable | - | 19,619 | - | - | 19,619 |
| Restricted | - | 81,486 | 61,742 | 34,777 | 178,005 |
| Assigned | - | - | - | 47,663 | 47,663 |
| Unassigned | 417,428 | - | - | - | 417,428 |
| Total fund balances | <u>417,428</u> | <u>101,105</u> | <u>61,742</u> | <u>82,440</u> | <u>662,715</u> |
| Total liabilities and fund balances | <u>\$ 431,809</u> | <u>\$ 261,866</u> | <u>\$ 63,771</u> | <u>\$ 82,440</u> | <u>\$ 839,886</u> |

The accompanying notes are an integral part of this statement.

VILLAGE OF PARKS, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2023

Total fund balances for governmental funds at June 30, 2023 \$ 662,715

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:

| | | |
|-----------------------------------------------------------------------|----------------|-----------|
| Land | \$ 30,000 | |
| Construction in progress | 36,874 | |
| Buildings and improvements, net of \$230,067 accumulated depreciation | 1,243,987 | |
| Vehicles, net of \$28,550 accumulated depreciation | 24,532 | |
| Furniture and equipment, net of \$34,578 accumulated depreciation | 76,660 | |
| Infrastructure, net of \$251,586 accumulated depreciation | <u>336,732</u> | 1,748,785 |

The deferred outflows of expenditures are not a current use of resources and are therefore not reported in the funds:

| | | |
|--------------------------------|--|--------|
| Deferred outflows of resources | | 61,684 |
|--------------------------------|--|--------|

General long-term debt of governmental activities is not payable from current resources and, therefore, not reported in the funds.
This debt is:

| | | |
|-----------------------|------------------|-----------|
| Bonds payable | (662,000) | |
| Net pension liability | <u>(147,572)</u> | (809,572) |

The deferred inflows of resources of contributions are not available resources, and therefore, are not reported in the funds:

| | | |
|-------------------------------|--|-----------------|
| Deferred inflows of resources | | <u>(26,897)</u> |
|-------------------------------|--|-----------------|

Total net position of governmental activities at June 30, 2023 \$ 1,636,715

The accompanying notes are an integral part of this statement.

VILLAGE OF PARKS, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances-
Governmental Funds
For the Year Ended June 30, 2023

| | Major Funds | | | | Total |
|------------------------------------------------------|-------------------|---------------------------------|-------------------------|-------------------|-------------------|
| | General | Sales Tax Special Revenue | Debt Service Fund | Nonmajor Funds | |
| Revenues: | | | | | |
| Taxes | \$ 2,706 | \$ 269,732 | \$ - | \$ - | \$ 272,438 |
| Licenses and permits | 84,189 | - | - | - | 84,189 |
| Fines and penalties | 7,908 | - | - | - | 7,908 |
| Grants | - | - | - | 36,874 | 36,874 |
| Intergovernmental | 114 | 23,495 | - | - | 23,609 |
| Miscellaneous | - | 2,765 | - | 15,870 | 18,635 |
| Total revenues | <u>94,917</u> | <u>295,992</u> | <u>-</u> | <u>52,744</u> | <u>443,653</u> |
| Expenditures: | | | | | |
| Current - | | | | | |
| General government | 109,618 | - | - | - | 109,618 |
| Public safety | - | 292,091 | - | - | 292,091 |
| Culture and recreation | - | - | - | 3,104 | 3,104 |
| Debt service | - | - | 139,918 | - | 139,918 |
| Capital outlay | 8,375 | 1,000 | - | 38,624 | 47,999 |
| Total expenditures | <u>117,993</u> | <u>293,091</u> | <u>139,918</u> | <u>41,728</u> | <u>592,730</u> |
| Excess (deficiency) of revenues over expenditures | <u>(23,076)</u> | <u>2,901</u> | <u>(139,918)</u> | <u>11,016</u> | <u>(149,077)</u> |
| Other financing sources (uses): | | | | | |
| Operating transfers in | 239,747 | - | 139,747 | - | 379,494 |
| Operating transfers out | <u>(139,747)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(139,747)</u> |
| Total other financing sources | <u>100,000</u> | <u>-</u> | <u>139,747</u> | <u>-</u> | <u>239,747</u> |
| Net changes in fund balances | 76,924 | 2,901 | (171) | 11,016 | 90,670 |
| Fund balances, beginning | <u>340,504</u> | <u>98,204</u> | <u>61,913</u> | <u>71,424</u> | <u>572,045</u> |
| Fund balances, ending | <u>\$ 417,428</u> | <u>\$ 101,105</u> | <u>\$ 61,742</u> | <u>\$ 82,440</u> | <u>\$ 662,715</u> |

The accompanying notes are an integral part of this statement.

VILLAGE OF PARKS, 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

| | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|--------------------------|
| Total net changes in fund balances for the year ended June 30, 2023 per Statement of Revenues, Expenditures and Changes in Fund Balances | \$ | 90,670 |
| The change in net position reported for governmental activities in the statement of activities is different because: | | |
| 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. | | |
| Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances | \$ | 47,999 |
| Depreciation expense for the year ended June 30, 2023 | | <u>(87,347)</u> (39,348) |
| Because governmental funds do not record fixed assets and accumulated depreciation, any assets disposed of with or without a selling price do not affect the statement of revenues, expenditures, and changes in fund balances. However, in the statement of activities, a gain or loss is shown on assets that are not fully depreciated. | | |
| Loss on disposal of assets | | (48) |
| Repayment of principal on debt is recorded as an expenditure in the governmental funds but reduces the liability in the statement of net position | | |
| Principal paid on bonds | | 117,000 |
| Expenses not requiring the use of current financial resources and, therefore, not reported as expenditures in the governmental funds. | | |
| Net change in net pension liability and related deferrals | | <u>(16,947)</u> |
| Total changes in net position for the year ended June 30, 2023 per Statement of Activities | \$ | <u>151,327</u> |

The accompanying notes are an integral part of this statement.

VILLAGE OF PARKS, LOUISIANA

Statement of Net Position
 Proprietary Fund
 June 30, 2023

| | <u>Utilities Fund</u> |
|---------------------------------------|---------------------------|
| ASSETS | |
| Current assets: | |
| Cash and interest-bearing deposits | \$ 2,838,305 |
| Receivables: | |
| Accounts | 307,584 |
| Due from other funds | 80,223 |
| Prepaid items | <u>28,240</u> |
| Total current assets | <u>3,254,352</u> |
| Noncurrent assets: | |
| Restricted assets - | |
| Cash and interest-bearing deposits | 261,880 |
| Capital assets: | |
| Non-depreciable | 111,327 |
| Depreciable, net | <u>1,050,134</u> |
| Total noncurrent assets | <u>1,423,341</u> |
| Total assets | <u>4,677,693</u> |
| DEFERRED OUTFLOWS OF RESOURCES | <u>-</u> |
| LIABILITIES | |
| Current liabilities: | |
| Accounts payable and accrued expenses | 50,754 |
| Customers' deposits | 261,880 |
| Unearned revenue | <u>80,151</u> |
| Total current liabilities | <u>392,785</u> |
| DEFERRED INFLOWS OF RESOURCES | <u>-</u> |
| NET POSITION | |
| Net investment in capital assets | 1,161,461 |
| Unrestricted | <u>3,123,447</u> |
| Total net position | <u>\$ 4,284,908</u> |

The accompanying notes are an integral part of this statement.

VILLAGE OF PARKS, LOUISIANA

Statement of Revenues, Expenses, and Changes in Fund Net Position -
 Proprietary Fund
 For the Year Ended June 30, 2023

| | <u>Utilities Fund</u> |
|-----------------------------------|---------------------------|
| Operating revenues: | |
| Charges for services: | |
| Water and waste fees | \$ 1,679,965 |
| Meter installations | 24,389 |
| Connection fees | 2,318 |
| Building Permit Fees | 2,765 |
| Other operating income | <u>2,575</u> |
| Total operating revenues | <u>1,712,012</u> |
| Operating expenses: | |
| Salaries | 347,646 |
| Payroll taxes | 22,780 |
| Insurance | 148,701 |
| Repairs and maintenance | 35,777 |
| Chemicals | 49,547 |
| Operating supplies | 210,250 |
| Office expense | 24,499 |
| Dues and subscriptions | 51,528 |
| Utilities | 110,360 |
| Contractual services | 41,158 |
| Automotive expense | 23,266 |
| Professional fees | 90,641 |
| Telephone/internet expense | 9,347 |
| Depreciation expense | 157,579 |
| Garbage service fees | 50,106 |
| Miscellaneous expense | <u>5,599</u> |
| Total operating expenses | <u>1,378,784</u> |
| Operating income | <u>333,228</u> |
| Nonoperating revenues (expenses): | |
| Federal grants | 127,995 |
| Gain on disposal of asset | <u>3,646</u> |
| Total nonoperating revenues | <u>131,641</u> |
| Income before transfers | <u>464,869</u> |
| Operating transfers: | |
| Transfers out | <u>(239,747)</u> |
| Total operating transfers out | <u>(239,747)</u> |
| Change in net position | 225,122 |
| Net position, beginning | <u>4,059,786</u> |
| Net position, ending | <u>\$ 4,284,908</u> |

The accompanying notes are an integral part of this statement.

VILLAGE OF PARKS, LOUISIANA

Statement of Cash Flows
 Proprietary Fund
 For the Year Ended June 30, 2023

| | <u>Utilities Fund</u> |
|---------------------------------------------------------------|-----------------------|
| Cash flows from operating activities: | |
| Receipts from customers | \$ 1,695,983 |
| Payments to suppliers | (863,673) |
| Payments to employees | <u>(347,646)</u> |
| Net cash provided by operating activities | <u>484,664</u> |
| Cash flows from noncapital financing activities: | |
| Operating transfers out to other funds | (276,337) |
| Other receipts | <u>3,646</u> |
| Net cash used by noncapital financing activities | <u>(272,691)</u> |
| Cash flows from capital and related financing activities: | |
| Receipts from grantors | 127,995 |
| Purchase of capital assets | <u>(61,351)</u> |
| Net cash provided by capital and related financing activities | <u>66,644</u> |
| Net increase in cash and cash equivalents | 278,617 |
| Cash and cash equivalents, beginning of period | <u>2,821,568</u> |
| Cash and cash equivalents, end of period | <u>\$ 3,100,185</u> |

(continued)

VILLAGE OF PARKS, LOUISIANA

Statement of Cash Flows
 Proprietary Fund (Continued)
 For the Year Ended June 30, 2023

| | <u>Utilities Fund</u> |
|-----------------------------------------------------------------------------------------------|-----------------------|
| Reconciliation of operating income to net cash provided by operating activities: | |
| Operating income | \$ 333,228 |
| Adjustments to reconcile operating loss to net cash used by operating activities: | |
| Depreciation | 157,579 |
| Changes in current assets and liabilities: | |
| Increase in accounts receivable | (16,029) |
| Decrease in prepaid items | 13,904 |
| Decrease in accounts payable and accrued liabilities | <u>(4,018)</u> |
| Total adjustments | <u>151,436</u> |
| Net cash provided by operating activities | <u>\$ 484,664</u> |
| Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet: | |
| Cash and cash equivalents, beginning of period - | |
| Cash - unrestricted | \$ 2,568,188 |
| Cash - restricted | <u>253,380</u> |
| Total cash and cash equivalents | <u>2,821,568</u> |
| Cash and cash equivalents, end of period - | |
| Cash - unrestricted | 2,838,305 |
| Cash - restricted | <u>261,880</u> |
| Total cash and cash equivalents | <u>3,100,185</u> |
| Net increase | <u>\$ 278,617</u> |

The accompanying notes are an integral part of this statement.

VILLAGE OF PARKS, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The Village was incorporated in 1908 under the Lawrason Act. The act provides for the Mayor-Board of Aldermen form of government. The Village's operations include police protection, streets and drainage, sanitation, culture and recreation, public improvements, planning and zoning, and general administration services. The Village owns and operates one enterprise activity, a utilities fund, which provides water and waste services.

The accompanying financial statements of the Village of Parks (Village) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

In evaluating how to define the Village for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board (GASB) Statement No. 14. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Village is able to exercise oversight responsibilities. Based on these criteria, the Village has no component units.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the Village and for each function of the Village's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a

VILLAGE OF PARKS, LOUISIANA

Notes to Basic Financial Statements (Continued)

particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

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

The various funds of the Village are classified into two categories: governmental and proprietary (enterprise). The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major funds of the Village are described below:

Governmental Funds -

General Fund -

The General Fund is the general operating fund of the Village. It is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Fund -

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Sales Tax Fund -

To account for the receipt and use of proceeds of the Village's 2% sales and use tax that is legally restricted to expenditures for specific purposes.

VILLAGE OF PARKS, LOUISIANA

Notes to Basic Financial Statements (Continued)

Debt Service Fund –

To account for the repayment of the \$1,200,000 Certificate of Indebtedness Series 2018 bonds.

Proprietary Fund -

Utilities Fund -

The Village of Parks Utilities Fund is used to account for the provision of water and waste services to residents of the Village and outlying areas. The Village of Parks Utilities Fund is used to account for operations that are financed and operated in a manner 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. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are derived from charges for services. All other revenues are reported as nonoperating.

The nonmajor funds of the Village are described below:

Governmental Funds –

Special Revenue Fund -

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Park Commission Fund-

The Park Commission Fund is used to account for park usage fees collected and expenditures required to maintain the Cecile Poche Memorial Park facilities.

Capital Projects Fund –

To account for the construction of new town hall funded by \$1,200,000 Certificate of Indebtedness Series 2018 bonds.

C. Measurement Focus/Basis of Accounting

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.

Measurement Focus

On the government-wide statement of net position and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below.

VILLAGE OF PARKS, LOUISIANA

Notes to Basic Financial Statements (Continued)

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an “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. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 “Accounting and Financial Reporting for Nonexchange Transactions.”

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means 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 current fiscal year. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due. The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

VILLAGE OF PARKS, LOUISIANA

Notes to Basic Financial Statements (Continued)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity

Cash, interest-bearing deposits, and investments

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Village. For the purpose of the proprietary fund Statement of Cash Flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes and franchise taxes. Business-type activities report customer's utility service receivables as their major receivables.

Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) depends on whether they are reported in the government-wide or fund financial statements.

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The Village's threshold for capitalization is \$1,000.

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

VILLAGE OF PARKS, LOUISIANA

Notes to Basic Financial Statements (Continued)

| | |
|----------------------------|-------------|
| Buildings and improvements | 10-40 years |
| Vehicles | 5 years |
| Furniture and equipment | 5-10 years |
| Water system | 10-30 years |

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

Prior to the adoption of GASB 34, it was the Village's policy not to record infrastructure; however, these assets have been included in the accompanying financial statements valued at historical cost.

Restricted Assets

Restricted assets include cash and interest-bearing deposits that are legally restricted to their use. The restricted assets are related to sales tax revenues, monies dedicated for bond repayment, and monies dedicated for construction not yet spent in the governmental activities and customer utility deposits in the business-type activities.

Unearned Revenue

Revenue received that has either not yet been earned or has not been spent is recorded as unearned revenue. Unearned revenue as of June 30, 2023, consisted of sales tax funds received that may be owed to other governments in the amount of \$62,137 and grant funds from the American Rescue Plan Act (ARPA) of \$80,151.

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

Compensated Absences

Employees of the Village of Parks earn sick leave and vacation days depending on length of employment. The vacation days and sick pay days cannot be carried over from year to year. Neither can cash be received in lieu of taking the days. If an employee quits, he forfeits all accumulated days. Because of these policies, there are no accruals made in either the proprietary fund or the governmental funds.

VILLAGE OF PARKS, LOUISIANA

Notes to Basic Financial Statements (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

Equity Classifications

In the government-wide statements, net position is displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on their use, either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as follows. Proprietary fund equity is classified the same as in the government-wide statements.

Fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the Board of Aldermen. The Board is the highest level of decision-making authority for the Village of Parks. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by Board members.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the

VILLAGE OF PARKS, LOUISIANA

Notes to Basic Financial Statements (Continued)

Village’s policy, only Board members may assign amounts for specific purposes.

Unassigned – all other spendable amounts.

Revenue Restrictions

The Village has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue source includes sales and use taxes. See note 6 which addresses its legal restrictions on use. The Village uses unrestricted resources only when restricted resources are fully depleted.

As of June 30, 2023, fund balances are composed of the following:

| | General | Sales Tax Special Revenue | Debt Service Fund | Non- major Funds | Total Governmental Funds |
|------------------------|-------------------|---------------------------------|-------------------------|------------------------|--------------------------------|
| Nonspendable: | | | | | |
| Prepaid items | \$ - | \$ 19,619 | \$ - | \$ - | \$ 19,619 |
| Restricted: | | | | | |
| Sales taxes | - | 81,486 | - | - | 81,486 |
| Construction | - | - | - | 34,777 | 34,777 |
| Debt service | - | - | 61,742 | - | 61,742 |
| Assigned: | | | | | |
| Culture and recreation | - | - | - | 47,663 | 47,663 |
| Unassigned | <u>417,428</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>417,428</u> |
| Total fund balances | <u>\$ 417,428</u> | <u>\$ 101,105</u> | <u>\$ 61,742</u> | <u>\$ 82,440</u> | <u>\$ 662,715</u> |

When an expenditure is incurred for 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 committed, assigned, or unassigned 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 Board of Aldermen have provided otherwise in their commitment or assignment actions.

E. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets

VILLAGE OF PARKS, LOUISIANA

Notes to Basic Financial Statements (Continued)

and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(2) Cash and Interest-Bearing Deposits

Under state law, the Village may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Village may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2023, the Village has cash and interest-bearing deposits (book balances) totaling \$3,837,132.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Village's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. 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 owned by the pledging financial institution. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the financial institution. These securities are held in the name of the pledging financial institution in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2023 are secured as follows:

| | |
|-------------------------------------------------------|---------------------|
| Bank balances | <u>\$ 3,889,181</u> |
| At June 30, 2023 the deposits are secured as follows: | |
| Federal deposit insurance | \$ 459,683 |
| Pledged securities | <u>3,429,498</u> |
| Total | <u>\$ 3,889,181</u> |

Deposits in the amount of \$3,429,498 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the Village's name. The Village does not have a policy for custodial credit risk.

(3) Receivables

Receivables at June 30, 2023 of \$387,144 consist of the following:

| | Governmental Activities | Business- Type Activities | Total |
|---------------|----------------------------|---------------------------------|-------------------|
| Accounts | \$ - | \$ 307,584 | \$ 307,584 |
| Taxes: | | | |
| Sales tax | 29,032 | - | 29,032 |
| Franchise tax | 13,654 | - | 13,654 |
| Other | <u>36,874</u> | <u>-</u> | <u>36,874</u> |
| Totals | <u>\$ 79,560</u> | <u>\$ 307,584</u> | <u>\$ 387,144</u> |

VILLAGE OF PARKS, LOUISIANA

Notes to Basic Financial Statements (Continued)

(4) Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

| | Balance 7/1/2022 | Additions | Deletions | Balance 06/30/23 |
|---------------------------------------|---------------------|--------------------|-----------------|---------------------|
| Governmental activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 30,000 | \$ - | \$ - | \$ 30,000 |
| Construction in progress | - | 36,874 | - | 36,874 |
| Total assets not being depreciated | <u>\$ 30,000</u> | <u>\$ 36,874</u> | <u>\$ -</u> | <u>\$ 66,874</u> |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 1,474,054 | - | - | 1,474,054 |
| Vehicles | 52,182 | 1,000 | (100) | 53,082 |
| Furniture and equipment | 109,488 | 1,750 | - | 111,238 |
| Infrastructure | 579,943 | 8,375 | - | 588,318 |
| Total assets being depreciated | <u>2,215,667</u> | <u>11,125</u> | <u>(100)</u> | <u>2,226,692</u> |
| Less accumulated depreciation: | | | | |
| Buildings and improvements | 188,013 | 42,054 | - | 230,067 |
| Vehicles | 18,136 | 10,466 | (52) | 28,550 |
| Furniture and equipment | 27,788 | 6,790 | - | 34,578 |
| Infrastructure | 223,549 | 28,037 | - | 251,586 |
| Total accumulated depreciation | <u>457,486</u> | <u>87,347</u> | <u>(52)</u> | <u>544,781</u> |
| Depreciable assets, net | <u>\$ 1,758,181</u> | <u>\$ (76,222)</u> | <u>\$ (48)</u> | <u>\$ 1,681,911</u> |
| Business-type activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 111,327 | \$ - | \$ - | \$ 111,327 |
| Capital assets being depreciated: | | | | |
| Waterworks plant and equipment | 5,862,960 | 61,351 | (36,171) | 5,888,140 |
| Total assets being depreciated | <u>5,862,960</u> | <u>61,351</u> | <u>(36,171)</u> | <u>5,888,140</u> |
| Less accumulated depreciation: | | | | |
| Waterworks plant and equipment | 4,716,598 | 157,579 | (36,171) | 4,838,006 |
| Total accumulated depreciation | <u>4,716,598</u> | <u>157,579</u> | <u>(36,171)</u> | <u>4,838,006</u> |
| Depreciable assets, net | <u>\$ 1,146,362</u> | <u>\$ (96,228)</u> | <u>\$ -</u> | <u>\$ 1,050,134</u> |

Depreciation expense was charged to governmental activities as follows:

| | |
|----------------------------|------------------|
| General government | \$ 57,946 |
| Public safety | 12,664 |
| Culture and recreation | <u>16,737</u> |
| Total depreciation expense | <u>\$ 87,347</u> |

VILLAGE OF PARKS, LOUISIANA

Notes to Basic Financial Statements (Continued)

(5) Accounts, Salaries, and Other Payables

The accounts, salaries, and other payables consisted of the following at June 30, 2023:

| | Governmental Activities | Business-Type Activities | Total |
|---------------------------------|----------------------------|-----------------------------|------------------|
| Accounts | \$ 2,718 | \$ 39,842 | \$ 42,560 |
| Due to other governmental units | 22,413 | - | 22,413 |
| Salaries | 2,525 | 6,271 | 8,796 |
| Payroll taxes | 3,395 | 4,641 | 8,036 |
| Totals | <u>\$ 31,051</u> | <u>\$ 50,754</u> | <u>\$ 81,805</u> |

(6) Dedication of Sales and Use Tax Revenues

Proceeds of the two percent (2%) sales and use tax being levied by the Village of Parks, after payment of all necessary expenses of collection and administration, have been dedicated to constructing, acquiring, extending, improving and/or maintaining drainage facilities, streets, sidewalks, sewers and sewerage disposal works, public buildings, police department and equipment, public parks, recreational facilities, waterworks, disposal of garbage street lighting, purchasing of immovable property and purchasing and acquiring equipment and furnishings for the aforesaid public works, buildings, improvements, and facilities. Proceeds from the 2% sales and use tax were \$331,869 for the year ended June 30, 2023.

(7) Interfund Transactions

A. Receivables and Payables

Interfund receivables and payables consisted of the following at June 30, 2023:

| | Interfund <u>Receivables</u> | Interfund <u>Payables</u> |
|--------------------------------|---------------------------------|------------------------------|
| Major Funds: | | |
| Governmental Funds: | | |
| General Fund | \$ - | \$ 13,567 |
| Sales Tax Special Revenue Fund | 3,760 | 68,387 |
| Debt Service Fund | - | 2,029 |
| Enterprise Fund: | | |
| Utility Fund | 80,223 | - |
| Total | <u>\$ 83,983</u> | <u>\$ 83,983</u> |

Unfunded transfers, and one fund paying expenditures on behalf of another fund, in a prior fiscal year, and in the current fiscal year, caused the balances above. These balances are expected to be paid within the fiscal year.

VILLAGE OF PARKS, LOUISIANA

Notes to Basic Financial Statements (Continued)

B. Interfund transfers

Interfund transfers consisted of the following at June 30, 2023:

| | <u>Interfund Transfers In</u> | <u>Interfund Transfers Out</u> |
|---------------------|-----------------------------------|------------------------------------|
| Major Funds: | | |
| Governmental Funds: | | |
| General Fund | \$ 239,747 | \$ 139,747 |
| Debt Service Fund | 139,747 | - |
| Enterprise Fund: | | |
| Utilities Fund | - | <u>239,747</u> |
| Total | <u>\$ 379,494</u> | <u>\$ 379,494</u> |

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in one fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

(8) Ad Valorem Taxes

For the year ended June 30, 2023, the Village formally waived the imposition of its approved statutory millage.

(9) Pension Plan/GASB 68

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Police Employees' Retirement System (System) and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Summary of significant accounting policies:

The Municipal Police Employees' Retirement System prepares its employer schedules in accordance with Governmental Accounting Statement No. 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No.27*. GASB Statement No. 68 established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses / expenditures. It provides methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. It also provides methods to calculate participating employer's proportionate share of net pension liability, deferred inflows, deferred outflows, pension expense, and amortization periods for deferred inflows and deferred outflows.

VILLAGE OF PARKS, LOUISIANA

Notes to Basic Financial Statements (Continued)

Basis of accounting:

The System's employer pension schedules were prepared using the accrual basis of accounting. Employer contributions, for which the employer allocations are based, are recognized in the period in which the employee is compensated for services performed.

System employees:

The System is not allocated a proportionate share of the net pension liability related to its employees. The net pension liability attributed to the System's employees is allocated to the remaining employers based on their respective employer allocation percentage.

Pension Amount Netting:

The deferred outflows and deferred inflows of resources resulting from differences between projected and actual earnings on pension plan investments that were recorded in different years were netted to report only a deferred outflow or a deferred inflow on the schedule of pension amounts. The remaining categories of deferred outflows and deferred inflows were not presented on a net basis.

Plan fiduciary net position:

Plan fiduciary net position is a significant component of the System's collective net pension liability. The System's plan fiduciary net position was determined using the accrual basis of accounting. The System's assets, liabilities, revenues, and expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates primarily related to unsettled transactions and events as of the date of the financial statements and estimates over the determination of the fair market value of the System's investments. Accordingly, actual results may differ from estimated amounts.

Plan Description:

The Municipal Police Employees' Retirement System is the administrator of a cost-sharing multiple-employer plan. Membership in the System is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, provided he or she does not have to pay social security and providing he or she meets the statutory criteria. The System provides retirement benefits for municipal police officers. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Membership prior to January 1, 2013:

A member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years creditable service and is age 55. A member is eligible for early retirement

VILLAGE OF PARKS, LOUISIANA

Notes to Basic Financial Statements (Continued)

after he has been a member of the System for 20 years of creditable service at any age with an actuarially reduced benefit.

Benefit rates are 3.33% of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from 40% - 60% of the member's average final compensation for the surviving spouse. In addition, each child under age 18 receives benefits equal to 10% of the member's average final compensation or \$200 per month, whichever is greater.

Membership commencing January 1, 2013:

Member eligibility for regular retirement, early retirement, disability and survivor benefits are based on Hazardous Duty and Non-Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non-Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55.

Under the Hazardous and Non Hazardous Duty sub plans, the benefit rates are 3% (generally) and 2.50%, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from 25% - 55% of the member's average final compensation for the surviving spouse. In addition, each child under age 18 receives 10% of average final compensation or \$200 per month whichever is greater. If deceased member had less than ten years of service, beneficiary will receive a refund of employee contributions only.

Cost of living adjustments:

The Board of Trustees is authorized to provide annual cost-of-living adjustments computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility.

VILLAGE OF PARKS, LOUISIANA

Notes to Basic Financial Statements (Continued)

No regular retiree, survivor or beneficiary shall be eligible to receive a cost-of-living adjustment until benefits have been received at least one full fiscal year and the payment of such COLA, when authorized, shall not be effective until the lapse of at least one-half of the fiscal year. Members who elect early retirement are not eligible for a cost of living adjustment until they reach regular retirement age.

A COLA may only be granted if funds are available from interest earnings in excess of normal requirements, as determined by the actuary.

Deferred retirement option plan:

A member is eligible to elect to enter the deferred retirement option plan (DROP) when he is eligible for regular retirement based on the members' sub plan participation. Upon filing the application for the program, the employee's active membership in the System is terminated. At the entry date into the DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DROP is 36 months or less. If employment is terminated after the three-year period, the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership into the System shall resume and upon later termination, he shall receive additional retirement benefit based on the additional service. For those eligible to enter DROP prior to January 1, 2004, DROP accounts shall earn interest subsequent to the termination of DROP participation at a rate of half of one percentage point below the percentage rate of return of the System's investment portfolio as certified by the actuary on an annual basis but will never lose money. For those eligible to enter DROP subsequent to January 1, 2004, an irrevocable election is made to earn interest based on the System's investment portfolio return or a money market investment return. This could result in a negative earnings rate being applied to the account.

If the member elects a money market investment return, the funds are transferred to a government money market account and earn interest at the money market rate.

Initial benefit option plan:

In 1999, the State Legislature authorized the System to establish an Initial Benefit Option program. Initial Benefit Option is available to members who are eligible for regular retirement and have not participated in DROP. The Initial Benefit Option program provides both a one-time single sum payment of up to 36 months of regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest is computed on the balance based on same criteria as DROP.

Employer contributions:

Contributions for all members are actuarially determined as required by state law but cannot be less than 9% of the employees' earnable compensation excluding overtime but including state supplemental pay.

For the year ended June 30, 2022, total contributions due for employers and employees were as follows:

VILLAGE OF PARKS, LOUISIANA

Notes to Basic Financial Statements (Continued)

| | <u>Contribution Rates</u> | | |
|-------------------------------------------------------------------------|---------------------------|-----------------|--------------|
| | <u>Employee</u> | <u>Employer</u> | <u>Total</u> |
| Members hired prior to 1/1/2013 | 10.00% | 29.75% | 39.75% |
| Hazardous Duty Members hired after 1/1/2013 | 10.00% | 29.75% | 39.75% |
| Non Hazardous Duty Members hired after 1/1/2013 | 8.00% | 29.75% | 37.75% |
| Members whose earnable compensation is less than the poverty guidelines | 7.50% | 32.25% | 39.75% |

Non-employer contributions:

The System also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer contributions were recognized as revenue and excluded from pension expense. The Village recognized \$3,212 of non-employer contribution revenue.

Schedule of employer allocations:

The schedule of employer allocations reports the historical employer contributions in addition to the employer allocation percentages for each participating employer. The historical employer contributions are used to determine the proportionate relationship of each employer to all employers of the Municipal Police Employees' Retirement System. The employer's proportion was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The allocation percentages were used in calculating each employer's proportionate share of pension amounts.

The allocation method used in determining each employer's proportion was based on each employer's contributions to the System during the year ended June 30, 2022, as compared to the total of all employers' contributions to the System for during the year ended June 30, 2022.

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

At June 30, 2023, the Village reported a liability of \$147,572 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2022 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Village's proportion of the Net Pension Liability was based on a projection of the Village's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the Village's proportion was .014437%, which was an increase of .001817% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the Village recognized pension expense of \$36,728 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$1,190.

At June 30, 2023, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

VILLAGE OF PARKS, LOUISIANA

Notes to Basic Financial Statements (Continued)

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--------------------------------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------|
| Differences between expected and actual experiences | \$ 728 | \$ 1,203 |
| Changes of assumptions | 5,090 | 1,098 |
| Net difference between projected and actual earnings on pension plan investments | 26,346 | - |
| Change in proportion and differences between Employer contributions and proportionate share of contributions | 14,141 | 24,596 |
| Employer contributions subsequent to the measurement date | <u>15,379</u> | <u>-</u> |
| Total | <u>\$ 61,684</u> | <u>\$ 26,897</u> |

Deferred outflows of resources of \$15,379 related to pensions resulting from the Village's contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

| <u>Fiscal Year Ended</u> | |
|----------------------------------|------------|
| 6/30/2024 | \$ (4,304) |
| 6/30/2025 | 11,147 |
| 6/30/2026 | (1,253) |
| 6/30/2027 | 13,818 |

Actuarial methods and assumptions:

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

The actuarial assumptions used in the June 30, 2022 valuation were based on the assumptions used in the June 30, 2022 actuarial funding valuation and were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019. In cases where benefit structures were changed after the study period, assumptions were based on estimates of future experience.

VILLAGE OF PARKS, LOUISIANA

Notes to Basic Financial Statements (Continued)

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2022 are as follows:

| | | |
|-------------------------------------------------|----------------------------------------------------------------------|---------------------------|
| Valuation Date | June 30, 2022 | |
| Actuarial Cost Method | Entry Age Normal Cost | |
| Investment Rate of Return | 6.750%, net of investment expense | |
| Expected Remaining Service lives | 2022 - 4 years 2021 - 4 years 2020 - 4 years 2019 - 4 years | |
| Inflation Rate | 2.50% | |
| Salary increases, including inflation and merit | <u>Years of Service</u> | <u>Salary Growth Rate</u> |
| | 1-2 | 12.30% |
| | Above 2 | 4.70% |

| | |
|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Mortality | <p>For annuitants and beneficiaries, the Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.</p> <p>For disabled lives, the Pub-2010 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplies by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used.</p> <p>For employees, the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP 2019 scale was used.</p> |
| Cost-of-Living Adjustments | <p>The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.</p> |

The mortality rate assumption used was set based upon an experience study for the period of July 1, 2014 through June 30, 2019. A change was made full generational mortality which combines the use of a base mortality table with appropriate mortality improvement scales. In order to set the base mortality table, actual plan mortality experience was assigned a credibility weighting and combined with a standard table to produce current levels of mortality.

VILLAGE OF PARKS, LOUISIANA

Notes to Basic Financial Statements (Continued)

The best estimates of the arithmetic rates of return for each major asset class included in the System's target allocation as of June 30, 2022 are summarized in the following table:

| Asset Class | Target Allocation | Long Term Expected Portfolio Real Rate of Return |
|----------------------------|-------------------|--------------------------------------------------|
| Equity | 55.50% | 3.60% |
| Fixed Income | 30.50% | 0.85% |
| Alternative | 14.00% | 0.95% |
| Totals | 100.00% | 5.40% |
| Inflation | | 2.66% |
| Expected Arithmetic Return | | 8.06% |

The discount rate used to measure the total pension liability was 6.750%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the employer's proportionate share of the net pension liability to changes in the discount rate:

The following presents the net pension liability of the participating employers calculated using the discount rate of 6.750%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.750% or one percentage point higher 7.750% than the current rates as of June 30, 2022.

| | Changes in Discount Rate | | |
|--|--------------------------|-----------------------------------|----------------------|
| | 1% Decrease 5.75% | Current Discount Rate 6.75% | 1% Increase 7.75% |
| | Net Pension Liability | \$ 206,572 | \$ 147,572 |

Change in Net Pension Liability:

The changes in the net pension liability for the year ended June 30, 2022 were recognized in the current reporting period as pension expense except as follows:

1. Differences between expected and actual experience: The differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual experience

VILLAGE OF PARKS, LOUISIANA

Notes to Basic Financial Statements (Continued)

resulted in a deferred outflow of resources in the amount of \$728 and in a deferred inflow of resources in the amount of \$1,203 for the year ended June 30, 2023.

2. **Changes of assumptions or other inputs:** Changes of assumptions about future economic or demographic factors were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The changes of assumptions or other inputs resulted in a deferred outflow of resources in the amount of \$5,090 and in a deferred inflow of resources in the amount of \$1,098 for the year ended June 30, 2023.
3. **Differences between projected and actual investment earnings:** Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The difference between projected and actual investment earnings resulted in a deferred outflow of resources in the amount of \$26,346 for the year ended June 30, 2023.
4. **Change in proportion:** Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. The unamortized amounts arising from changes in the employer's proportionate shares resulted in a deferred outflow of resources in the amount of \$14,141 and in a deferred inflow of resources in the amount of \$24,596 for the year ended June 30, 2023.

Contributions – proportionate share:

Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of employer amounts due to differences that could arise between contributions reported by the System and contributions reported by the participating employer.

Retirement system audit report:

Municipal Police Employees' Retirement System issued a stand-alone audit report on its financial statements for the year ended June 30, 2022. Access to the audit report can be found on the System's website: www.lampers.org or on the Office of Louisiana Legislative Auditor's official website: www.la.state.la.us.

Estimates:

The process of preparing the schedule of employer allocations and schedule of pension amounts in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Accordingly, actual results may differ from estimated amounts.

VILLAGE OF PARKS, LOUISIANA

Notes to Basic Financial Statements (Continued)

(10) Changes in Long-Term Debt

The following is a summary of long-term debt transactions of the Village of Parks, Louisiana for the year ended June 30, 2023. The bonds relate to governmental activities and are therefore paid by the debt service fund.

| | |
|---------------------------------|-------------------|
| Governmental activities: | |
| Long-term debt at July 1, 2022 | \$ 779,000 |
| Debt assumed | - |
| Debt retired | <u>(117,000)</u> |
| Long-term debt at June 30, 2023 | <u>\$ 662,000</u> |

Long-term debt at June 30, 2023 is comprised of the following:

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| \$1,200,000 Certificate of Indebtedness, Series 2018, due in annual installments of \$101,000 to \$144,000; from April 1, 2019 to April 1, 2028; interest rate of 1.65%; payable from pledge and dedication of the excess of annual revenues. | <u>\$ 662,000</u> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|

The annual requirements to amortize all debt outstanding at June 30, 2023 are as follows:

| <u>Year Ending</u> <u>June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------------------|-------------------|------------------|-------------------|
| 2024 | \$ 121,000 | \$ 19,223 | \$ 140,223 |
| 2025 | 127,000 | 15,725 | 142,725 |
| 2026 | 132,000 | 12,045 | 144,045 |
| 2027 | 138,000 | 8,217 | 146,217 |
| 2028 | <u>144,000</u> | <u>4,208</u> | <u>148,208</u> |
| | <u>\$ 662,000</u> | <u>\$ 59,418</u> | <u>\$ 721,418</u> |

Interest expense in the amount of \$22,918 was expensed for the year ending June 30, 2023 and is included in general government expenses on the Statement of Activities.

(11) Commitments and Contingencies

At June 30, 2023, the Village is not involved in any pending litigation. Therefore, no liability has been recorded as of June 30, 2023.

VILLAGE OF PARKS, LOUISIANA

Notes to Basic Financial Statements (Continued)

(12) Compensation of Village Officials

A detail of compensation paid to Village officials for the year ended June 30, 2023 follows:

| | |
|----------------------------------------|------------------|
| Kevin J. Kately, Mayor | \$ <u>51,495</u> |
| Aldermen: | |
| Yvonne Narcisse | \$ 3,900 |
| Kanisha Potier | \$ 3,575 |
| Harold Robertson (through 12/31/2022) | 1,950 |
| Trey Thibodeaux (beginning 01/01/2023) | <u>1,950</u> |
| Total | <u>\$ 11,375</u> |
| Reginald Clues, Chief of Police | <u>\$ 46,812</u> |

(13) Risk Management

The Village is exposed to risks of loss in the areas of general and auto liability, property hazards, health care, and workers' compensation. Those risks are handled by purchasing commercial insurance. There have been no significant reductions in insurance coverage during the current fiscal year nor have settlements exceeded coverage during the current year or preceding two years.

(14) Act 706-Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Entity

Under Act 706, the Village of Parks is required to disclose the compensation, reimbursements, benefits, and other payments made to the Mayor, in which the payments are related to the position. The following is a schedule of payments made to the Mayor for the year ended June 30, 2023.

Entity head: Kevin J. Kately, Mayor

| | |
|--------------------------------|---------------|
| Salary | \$ 51,495 |
| Benefits-insurance | 31,404 |
| Travel & expense reimbursement | <u>3,385</u> |
| Total | <u>86,284</u> |

(15) On-behalf Payments

During the year ended June 30, 2023, the Village recognized \$23,495 as a revenue and an expenditure for on-behalf salary payments made by the state of Louisiana.

**REQUIRED
SUPPLEMENTARY INFORMATION**

VILLAGE OF PARKS, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2023

| | Original Budget | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---------------------------------------------|--------------------|-----------------|------------|---------------------------------------------------------|
| Revenues: | | | | |
| Taxes | \$ 200 | \$ 400 | \$ 2,706 | \$ 2,306 |
| Licenses and permits | 27,500 | 55,000 | 84,189 | 29,189 |
| Fines and penalties | 3,250 | 6,500 | 7,908 | 1,408 |
| Intergovernmental | 250 | 500 | 114 | (386) |
| Miscellaneous | 250 | 500 | - | (500) |
| Total revenues | 31,450 | 62,900 | 94,917 | 32,017 |
| Expenditures: | | | | |
| Current - | | | | |
| General government | 76,598 | 153,195 | 109,618 | 43,577 |
| Capital outlay | - | - | 8,375 | (8,375) |
| Total expenditures | 76,598 | 153,195 | 117,993 | 35,202 |
| Deficiency of revenues over expenditures | (45,148) | (90,295) | (23,076) | 67,219 |
| Other financing sources (uses): | | | | |
| Transfers in | 120,000 | 239,747 | 239,747 | - |
| Transfers out | (68,387) | (139,747) | (139,747) | - |
| Total other financing sources | 51,613 | 100,000 | 100,000 | - |
| Net change in fund balance | 6,465 | 9,705 | 76,924 | 67,219 |
| Fund balance, beginning | 283,998 | 340,504 | 340,504 | - |
| Fund balance, ending | \$ 290,463 | \$ 350,209 | \$ 417,428 | \$ 67,219 |

See notes to required supplementary information.

VILLAGE OF PARKS, LOUISIANA
Sales Tax Special Revenue Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2023

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|------------------------------------|----------------------------|-------------------------|-------------------|-------------------------------------------------------------------|
| Revenues: | | | | |
| Taxes | \$ 150,000 | \$ 250,000 | \$ 269,732 | \$ 19,732 |
| Intergovernmental | 6,000 | 12,000 | 23,495 | 11,495 |
| Miscellaneous - interest and other | <u>50</u> | <u>100</u> | <u>2,765</u> | <u>2,665</u> |
| Total revenues | <u>156,050</u> | <u>262,100</u> | <u>295,992</u> | <u>33,892</u> |
| Expenditures: | | | | |
| Current - | | | | |
| Public safety - police | 163,235 | 326,470 | 292,091 | 34,379 |
| Capital outlay | <u>-</u> | <u>-</u> | <u>1,000</u> | <u>(1,000)</u> |
| Total expenditures | <u>163,235</u> | <u>326,470</u> | <u>293,091</u> | <u>33,379</u> |
| Net change in fund balance | (7,185) | (64,370) | 2,901 | 67,271 |
| Fund balance, beginning | <u>99,590</u> | <u>98,204</u> | <u>98,204</u> | <u>-</u> |
| Fund balance, ending | <u>\$ 92,405</u> | <u>\$ 33,834</u> | <u>\$ 101,105</u> | <u>\$ 67,271</u> |

See notes to required supplementary information.

VILLAGE OF PARKS, LOUISIANA

Schedule of Employer's Share of Net Pension Liability
For the Year Ended June 30, 2023

| Year ended June 30, | Employer Proportion of the Net Pension Liability (Asset) | Employer Proportionate Share of the Net Pension Liability (Asset) | Employer's Covered Employee Payroll | Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll | Plan Fiduciary Net Position as a Percentage of the Total Pension Liability |
|---------------------|----------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------|---------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|
| 2015 | 0.016328% | \$ 102,149 | \$ 43,021 | 237.4% | 75.1% |
| 2016 | 0.014779% | \$ 115,778 | \$ 42,828 | 270.3% | 70.7% |
| 2017 | 0.013731% | \$ 128,698 | \$ 41,759 | 308.2% | 66.0% |
| 2018 | 0.015529% | \$ 135,575 | \$ 46,360 | 292.4% | 70.1% |
| 2019 | 0.008614% | \$ 72,823 | \$ 44,365 | 164.1% | 71.9% |
| 2020 | 0.020288% | \$ 184,249 | \$ 42,831 | 430.2% | 71.0% |
| 2021 | 0.012620% | \$ 116,638 | \$ 45,654 | 255.5% | 70.9% |
| 2022 | 0.015991% | \$ 85,241 | \$ 44,568 | 191.3% | 84.1% |
| 2023 | 0.014437% | \$ 147,572 | \$ 48,432 | 304.7% | 70.8% |

* The amounts presented have a measurement date of the previous fiscal year end.

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See notes to required supplementary information.

VILLAGE OF PARKS, LOUISIANA

Schedule of Employer Contributions
For the Year Ended June 30, 2023

| <u>Year ended June 30,</u> | <u>Contractually Required Contribution</u> | <u>Contributions in Relation to Contractual Required Contribution</u> | <u>Contribution Deficiency (Excess)</u> | <u>Employer's Covered Employee Payroll</u> | <u>Contributions as a % of Covered Employee Payroll</u> |
|--------------------------------|----------------------------------------------------|---------------------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------------|-------------------------------------------------------------------------|
| 2015 | \$ 13,491 | \$ 13,383 | \$ 108 | \$ 42,828 | 31.25% |
| 2016 | \$ 12,319 | \$ 12,530 | \$ (211) | \$ 41,759 | 30.00% |
| 2017 | \$ 14,719 | \$ 15,418 | \$ (699) | \$ 46,360 | 33.26% |
| 2018 | \$ 13,642 | \$ 14,192 | \$ (550) | \$ 44,365 | 31.99% |
| 2019 | \$ 15,282 | \$ 14,469 | \$ 813 | \$ 44,865 | 32.25% |
| 2020 | \$ 14,291 | \$ 13,920 | \$ 371 | \$ 42,831 | 32.50% |
| 2021 | \$ 15,408 | \$ 15,308 | \$ 100 | \$ 45,654 | 33.53% |
| 2022 | \$ 13,259 | \$ 13,259 | \$ - | \$ 44,568 | 29.75% |
| 2023 | \$ 15,135 | \$ 15,379 | \$ (244) | \$ 48,432 | 31.75% |

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See notes to required supplementary information.

VILLAGE OF PARKS, LOUISIANA

Notes to the Required Supplementary Information
For the Year Ended June 30, 2023

(1) Budgets and Budgetary Accounting

The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

- A. A public meeting is scheduled by the Board of Aldermen after allowing for at least 10 days' notice to the public at the time the budget is initially submitted to the Board of Aldermen.
- B. The budget must be finally adopted by the Board of Alderman prior to the last day of the preceding fiscal year.
- C. The Mayor and Board of Aldermen may authorize transfers of budgetary amounts within departments and revisions requiring alteration of levels of expenditures or transfers between departments.
- D. Operating appropriations, to the extent not expended or encumbered, lapse at year-end. Capital appropriations continue in force until the project is completed or deemed abandoned.
- E. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

All budgeted amounts presented reflect the original and final budget, which have been adjusted for legally authorized revisions during the year.

(2) Pension Plan

Changes of Assumptions – Changes of assumptions about future economic or demographic factors or of other inputs were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

**OTHER SUPPLEMENTARY
INFORMATION**

VILLAGE OF PARKS, LOUISIANA

Justice System Funding Reporting Schedule - Collecting/Disbursing Entity
 As Required by Act 87 of the 2020 Regular Legislative Session
 Cash Basis Presentation
 June 30, 2023

| | First Six Month Period Ended 12/31/2022 | Second Six Month Period Ended 06/30/2023 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|---------------------------------------------------|
| Beginning Balance of Amounts Collected (i.e. cash on hand) | 7,135 | 8,010 |
| Add: Collections | | |
| Civil Fees (including refundable amounts such as garnishments or advance deposits) | - | - |
| Bond Fees | - | - |
| Asset Forfeiture/Sale | - | - |
| Pre-Trial Diversion Program Fees | - | - |
| Criminal Court Costs/Fees | 2,500 | 875 |
| Criminal Fines - Contempt | - | - |
| Criminal Fines - Other | 3,175 | 1,158 |
| Restitution | - | - |
| Probation/Parole/Supervision Fees | - | - |
| Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees) | 272 | 30 |
| Interest Earnings on Collected Balances | - | - |
| Other (do not include collections that fit into more specific categories above) | - | - |
| Subtotal Collections | 5,947 | 2,063 |
| Less: Disbursements To Governments & Nonprofits: (Must include one agency name and one collection type on each line and may require multiple lines for the same agency if more than one collection type is applicable. Additional rows may be added as necessary.) | | |
| Louisiana Department of Health and Hospitals - Criminal Fines - Other | - | - |
| Louisiana State Treasurer - CMIS - Criminal Fines - Other | - | 24 |
| Louisiana Commission on Law Enforcement - Criminal Fines - Other | - | - |
| Louisiana Coroner's Operational Fund - Criminal Fines - Other | - | - |
| Louisiana Supreme Court - Criminal Fines - Other | - | - |
| St. Martin Parish Sheriff - Crime Stoppers - Criminal Fines - Other | - | - |
| Less: Amounts Retained by Collecting Agency | | |
| Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection | - | - |
| Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount | - | - |
| Amounts "Self-Disbursed" to Collecting Agency (must include a separate line for each collection type, as applicable) - Example: Criminal Fines - Other (Additional rows may be added as necessary) | | |
| Criminal Court Costs/Fees | 3,175 | 1,158 |
| Criminal Fines - Other | 1,625 | 576 |
| Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies | | |
| Payments to 3rd Party Collection/Processing Agencies | 272 | 30 |
| Subtotal Disbursements/Retainage | 5,072 | 1,788 |
| Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand) | 8,010 | 8,285 |
| Ending Balance of "Partial Payments" Collected but not Disbursed (only applies if collecting agency does not disburse partial payments until fully collected) - This balance is included in the Ending Balance of Amounts Collected but not Disbursed/Retained above. | | |
| Other Information: | | |
| Ending Balance of Total Amounts Assessed but not yet Collected (i.e. receivable balance) | | |
| Total Waivers During the Fiscal Period (i.e. non-cash reduction of receivable balances, such as time served or community service) | | |

**INTERNAL CONTROL,
COMPLIANCE
AND
OTHER MATTERS**

Champagne & Company, LLC

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INDEPENDENT AUDITORS'
REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Kevin J. Kately, Mayor
and Members of the Board of Aldermen
Village of Parks, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Parks, Louisiana, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Village of Parks, Louisiana's basic financial statements and have issued our report thereon dated October 30, 2023.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in accompanying schedule of prior and current year audit findings and management's corrective action plan as items 2023-001 and 2023-002, to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Parks, Louisiana's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of prior and current year audit findings and management's corrective action plan as items 2023-003, 2023-004, and 2023-005.

Village of Parks, Louisiana's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Village of Parks, Louisiana's responses to the findings identified in our audit and described in the accompanying schedule of prior and current year audit findings and management's corrective action plan. The Village of Parks, Louisiana's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Champagne & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
October 30, 2023

VILLAGE OF PARKS, LOUISIANA

Schedule of Prior and Current Year Audit Findings and
Management's Corrective Action Plan
For the Year Ended June 30, 2023

I. Prior Year Findings:

Internal Control Over Financial Reporting

2022-001 – Inadequate Segregation of Accounting Functions

Finding: The Village did not have adequate segregation of functions within the accounting system.

Status: Unresolved. See item 2023-001.

2022-002 – Inadequate Controls over Financial Statement Preparation

Finding: The Village does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements.

Status: Unresolved. See item 2023-002.

Compliance

2022-003 – Noncompliance with Louisiana Local Government Budget Act

Finding: Louisiana Revised Statute (LSA-R.S.) 39:1301-1314, known as the Local Government Budget Act, requires that the budget be amended when actual expenditures and other uses plus projected expenditures and other uses are exceeding the budgeted expenditures and other uses by five percent or more. The Village expenditures and other uses of the Sales Tax Fund exceed the budgeted expenditures by 38.3%.

Status: Resolved.

2022-004 – Noncompliance with Louisiana Local Government Budget Act

Finding: Louisiana Revised Statute 39:1309(A) requires all action necessary to adopt and otherwise finalize and implement the budget for a fiscal year shall be taken in open meeting and completed before the end of the prior fiscal year. Louisiana Revised Statute 39:1309(B) requires that the adopted budget shall be balanced with approved expenditures not exceeding the total estimated funds available. The Village's proposed budgets for General Fund and Sales Tax Special Revenue Fund were adopted subsequent to the end of the prior fiscal year. The original budget for the Sales Tax Special Revenue Fund has proposed expenditures exceeding the total of estimated funds available.

Status: Partially resolved: See item 2023-003.

Management Letter Items

There were no items reported at June 30, 2022.

(continued)

VILLAGE OF PARKS, LOUISIANA

Schedule of Prior and Current Year Audit Findings and
Management's Corrective Action Plan (continued)
For the Year Ended June 30, 2023

II. Current Year Findings and Management's Corrective Action Plan:

Internal Control Over Financial Reporting

2023-001 – Inadequate Segregation of Accounting Functions; Year Initially Occurred--Unknown

Condition and Criteria:

The Village did not have adequate segregation of functions within the accounting system.

Effect:

This condition represents a material weakness in the internal control of the Village.

Cause:

The condition resulted because of the small number of employees in the accounting department.

Recommendation:

No plan is considered necessary due to the fact that it would not be cost effective to implement a plan.

Management's Corrective Action Plan:

Mayor Kevin J. Kately has determined that it is not cost effective to achieve complete segregation of duties within the accounting department. No plan is considered necessary.

2023-002 – Inadequate Controls over Financial Statement Preparation; Year Initially Occurred—Unknown

Condition and Criteria:

The Village does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements.

Effect:

This condition represents a material weakness in the internal control of the Village.

(continued)

VILLAGE OF PARKS, LOUISIANA

Schedule of Prior and Current Year Audit Findings and
Management's Corrective Action Plan (continued)
For the Year Ended June 30, 2023

Cause:

The condition resulted because the Village personnel do not have the qualifications and training to apply GAAP in recording the entity's financial transactions or preparing the financial statements.

Recommendation:

The Village should consider outsourcing this task to its independent auditors and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

Management's Corrective Action Plan:

Mayor Kevin J. Kately has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP and determined that it is in the best interest of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

Compliance

2023-003 – Noncompliance with Louisiana Local Government Budget Act; Year Initially Occurred – June 30, 2022

Condition and Criteria:

Louisiana Revised Statute 39:1309(A) requires all action necessary to adopt and otherwise finalize and implement the budget for a fiscal year shall be taken in open meeting and completed before the end of the prior fiscal year. Louisiana Revised Statute 39:1309(B) requires that the adopted budget shall be balanced with approved expenditures not exceeding the total estimated funds available. The Village's proposed budgets for General Fund and Sales Tax Special Revenue Fund were adopted subsequent to the end of the prior fiscal year.

Effect:

This condition represents a violation of the Louisiana Government Budget Act.

Cause:

The condition resulted because the Village did not timely adopt a proposed budget for the fiscal year. As such, fifty percent of the amounts appropriated for the last completed year (June 30, 2022) are deemed reappropriated, and therefore constitute the original budget.

(continued)

VILLAGE OF PARKS, LOUISIANA

Schedule of Prior and Current Year Audit Findings and
Management's Corrective Action Plan (continued)
For the Year Ended June 30, 2023

Recommendation:

The Village must propose a budget before the beginning of the fiscal year.

Management's Corrective Action Plan:

Mr. Kevin Kately, Mayor, presented a budget for the upcoming fiscal year (year ended June 30, 2024) and the Council timely adopted such in June of 2023. The Mayor and Council intend to continue the process of timely adopting annual fiscal budgets.

2023-004 – Noncompliance with the Louisiana Community Water System Accountability Process;
Year Initially Occurred – June 30, 2023

Condition and Criteria:

Louisiana Revised Statute 40:5.9.1 (F) prohibits local governing authorities that operate a community water system that received a grade of "D" or "F" to expend any money raised through payments made by customers for access to water or from any other water system revenue for any item, debt payment, or public purpose other than the improvement and sustainability of the community water system. The Village transferred water system revenue to the General Fund for general operations after receiving a grade of "F".

Effect:

This condition represents a violation of the Louisiana Community Water System Accountability Process.

Cause:

The condition resulted because the Village continued to transfer water system revenue to the General Fund after receiving a grade of "F".

Recommendation:

The Village should discontinue transfers of water system revenue to the General Fund for general operations until the Village receives a grade of "C" or better.

Management's Corrective Action Plan:

Mr. Kevin Kately, Mayor, will ensure that only allowed transfers will be made from water system revenues until the grade of "F" can be improved to a grade of "C" or better. This plan will be implemented immediately.

(continued)

VILLAGE OF PARKS, LOUISIANA

Schedule of Prior and Current Year Audit Findings and
Management's Corrective Action Plan (continued)
For the Year Ended June 30, 2023

2023-005 – Noncompliance with Louisiana Community Water System Accountability Regarding
Federal Funds; Year Initially Occurred – June 30, 2023

Condition and Criteria:

Louisiana Revised Statute 40:5.9.2 requires a community water system or local governing authority operating a community water system receiving federal funds, including stimulus or relief payments or grants, for the upgrade, repair, or otherwise replacement of the water system infrastructure to submit a detailed plan describing how the federal funds will be used to the Louisiana Department of Health. The Village did not submit such plan.

Effect:

This condition represents a violation of the Louisiana Community Water System Accountability Process.

Cause:

The condition resulted because the Village did not submit a detailed plan describing how their federal funds will be used to the Louisiana Department of Health after receiving a grade of "F".

Recommendation:

The Village should prepare and submit, to the Louisiana Department of Health, a detailed plan describing how their federal funds will be used.

Management's Corrective Action Plan:

Mr. Kevin Kately, Mayor, will ensure that a detailed plan is prepared and submitted to the Louisiana Department of Health regarding the Village's planned use of federal funds. This plan will be implemented immediately.

Management Letter Items

There are no items reported at June 30, 2023.

VILLAGE OF PARKS, LOUISIANA

Statewide Agreed-Upon Procedures Report

Year Ended June 30, 2023

Champagne & Company, LLC

Certified Public Accountants

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Governing Board of Village of Parks and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022 through June 30, 2023. The Village of Parks's management is responsible for those C/C areas identified in the SAUPs.

The Village of Parks 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 C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA 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.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

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

- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

No exceptions noted.

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

No exceptions noted.

- iii. **Disbursements**, including processing, reviewing, and approving.
No exceptions noted.
- iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
No exceptions noted.
- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
No exceptions noted.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
No exceptions noted.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
No exceptions noted.
- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
No exceptions noted.
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
No exceptions noted.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
No exceptions noted.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
We performed the procedure and discussed the results with management.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.
The Village has not adopted a written policy and procedure related to sexual harassment.

2) **Board or Finance Committee**

A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and

- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exceptions noted.

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

The minutes of the meetings did not reference or include any budget-to-actual comparisons.

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

No exceptions noted.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

The minutes of the meetings did not reflect the board receiving written updates of the progress of resolving audit findings.

3) **Bank Reconciliations**

A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

Obtained a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Management identified the entity's main operating account. Obtained bank statements and reconciliations for the main operating account and 4 additional accounts for one random month during the period.

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

One bank account selected did not have a bank reconciliation prepared.

- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

One bank account selected did not include written evidence that the bank reconciliation was reviewed because a bank reconciliation was not prepared.

- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

One bank reconciliation tested did not have documentation reflecting research of reconciling items that have been outstanding for more than 12 months from the statement closing date.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Obtained a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete.

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

Obtained a listing of collection locations for each deposit site and management's representation that the listing is complete. Obtained written policies and procedures relating to employee job duties.

- i. Employees responsible for cash collections do not share cash drawers/registers;
No exceptions noted.
- ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
No exceptions noted.
- iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
No exceptions noted.
- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not responsible for collecting cash, unless another employee/official verifies the reconciliation.

No exceptions noted.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was in force during the fiscal period.

No exceptions noted.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- i. Observe that receipts are sequentially pre-numbered.
No exceptions noted.
- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
No exceptions noted.
- iii. Trace the deposit slip total to the actual deposit per the bank statement.
No exceptions noted.
- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
Three deposits tested were not made within one business day of receipt.
- v. Trace the actual deposit per the bank statement to the general ledger.
No exceptions noted.

5) *Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)*

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
Obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete.
- B. For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
Obtained a listing of those employees involved with non-payroll purchasing and payment functions. Obtained written policies and procedures relating to employee job duties.
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
No exceptions noted.
 - ii. At least two employees are involved in processing and approving payments to vendors;
No exceptions noted.
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
No exceptions noted.
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
No exceptions noted.
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearing house (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

No exceptions noted.

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

Obtained the entity's non-payroll disbursement transaction population and management's representation that the population is complete.

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

No exceptions noted.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

Three disbursements tested did not include evidence of segregation of duties, specifically, did not have an approved purchase order on file.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected, the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

No exceptions noted.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and names of the persons who maintained possession of the cards and obtained management's representation that the listing is complete.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

No exceptions noted.

- ii. Observe that finance charges and late fees were not assessed on the selected statements.

No exceptions noted.

- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

No exceptions noted.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected

Obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete.

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);

No exceptions noted.

- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

No exceptions noted.

- iii. Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

No exceptions noted.

- iv. Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and

Village of Parks did not initiate or renew any agreements/contracts during the fiscal period, thus this test is not applicable.

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
- ii. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Obtained a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Unable to agree paid salaries to authorized salaries/pay rates in personnel files.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

One employee tested did not have record of daily attendance and leave.

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

One employee tested did not have supervisor approval of attendance and leave.

- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

Three employees tested did not have leave accrued reflected in the entity's cumulative leave records.

- iv. Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Unable to agree rate paid to employees selected to the authorized salary/pay rate found in personnel file.

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or officials' cumulative leave records, agree the pay rates to the employee's or

official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

The Village of Parks did not issue termination payments during the fiscal period; therefore this test is not applicable.

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions noted.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

Two employee/officials tested did not complete one hour of ethics training during the calendar year.

- ii. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

All employees tested were not notified of changes to the entity's ethics policy.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

No exceptions noted.

11) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

The Village of Parks did not issue bonds/notes and other debt instruments during the fiscal period; therefore, this test was not applicable.

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

No exceptions noted.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

The Village of Parks did not have misappropriations of public funds and assets during the fiscal period; therefore, this test was not applicable.

- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1. concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions noted.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**

- i. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, (c) was encrypted.

We performed the procedure and discussed the results with management.

- ii. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

- iii. Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

No exceptions noted.

- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).

The Village does not have its sexual harassment policy and complaint procedures posted on its website.

- C. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344;

The Village did not complete the annual sexual harassment report; therefore, steps i-v are exceptions.

- i. Number and percentage of public servants in the agency who have completed the training requirements;
- ii. Number of sexual harassment complaints received by the agency;
- iii. Number of complaints which resulted in a finding that sexual harassment occurred;
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- v. Amount of time it took to resolve each complaint.

We were engaged by the Village of Parks 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 applicable standards of *Government Auditing Standards*. 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 those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Village of Parks 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 those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Champagne & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
October 30, 2023

Village of Parks, Louisiana

Management's Response to Statewide Agreed-Upon Procedures
For the Year Ended June 30, 2023

Management's Response to Items:

- | | |
|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1A-xii | The Village will adopt a written policy and procedure related to sexual harassment. |
| 2A-ii, iv | The Village will begin referencing budget-to-actual comparisons and updates of the progress of resolving audit findings in minutes of meetings. |
| 3A-i,ii | The Village will ensure all bank accounts are reconciled within 2 months of the statement closing date and document evidence of the preparation and review of such. |
| 3A-iii | The Village will research reconciling items that have been outstanding for more than 12 months from the statement closing date and include evidence of such. |
| 4D-iv | The Village will make an effort to deposit all collections within one day of receipt. |
| 5C-ii | The Village will ensure all purchases are made with a purchase order and that documentation of such is maintained. |
| 9A, 9B-iv | The Village will update its personnel files to include most recent authorized salary/pay rate. |
| 9B-i | The Village will ensure all employees have documentation of daily attendance and leave. |
| 9B-ii | The Village will ensure written documentation noting supervisor approval of attendance or sick leave will be maintained with attendance records. |
| 9B-iii | The Village will maintain cumulative leave records for all employees. |
| 10A-i | The Village will ensure all employees complete one hour of ethics training during the fiscal period. |
| 10A-ii | The Village will ensure all employees are notified of changes to the ethics policy and documentation of such is maintained. |
| 14B | The Village will post its sexual harassment policy and complaint procedures on its website. |
| 14C | The Village will complete its annual sexual harassment report for the current fiscal period. |