

**VILLAGE OF PROVENCAL
ANNUAL FINANCIAL REPORT**

JUNE 30, 2020

Village of Provencal
Financial Report
June 30, 2020

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
Required Supplementary Information		
Management’s Discussion and Analysis		1-4
Independent Accountant’s Review Report	-	5-6
Basic Financial Statements		
Government-Wide Financial Statements		
Statement of Net Position	A	9
Statement of Activities	B	10
Fund Financial Statements		
Governmental Fund		
Balance Sheet-Governmental Fund	C	12
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	D	13
Statement of Revenues, Expenditures, and Changes in Fund Balance	E	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Fund to the Statement of Activities	F	15
Proprietary Fund		
Statement of Net Position	G	16
Statement of Revenues, Expenses, and Changes in Net Position	H	17
Statement of Cash Flows	I	18
Notes to Financial Statements	-	20-27
Other Required Supplementary Information		
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer	J	29
Budgetary Comparison Schedule-General Fund	K	30

Village of Provencal
Financial Report
June 30, 2020

TABLE OF CONTENTS (cont'd)

	<u>Exhibit</u>	<u>Page</u>
Other Reports/Schedules		
Independent Accountant's Report on Applying Agreed-Upon Procedures	L	32-35
Louisiana Attestation Questionnaire	M	36-38
Management Letter	N	39
Management's Corrective Action Plan	O	40
Schedule of Prior Year Findings	P	41

Village of Provencal

P. O. Box 400
Provencal, LA 71468

MANAGEMENT'S DISCUSSION AND ANALYSIS for the Year Ended June 30, 2020

This section of the Village of Provencal's (hereafter referred to as the Village) annual financial report presents an overview and analysis of the Village's financial activities for the year ended June 30, 2020. The intent of the MD&A is to look at the Village's financial performance as a whole. It should therefore be read in conjunction with this report. Certain comparative information is presented to provide an overview of the Village's operations.

Financial Highlights

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Village as a whole and presents a longer-term view of the Village's finances. These statements tell how these services were financed in the short-term as well as what remains for future spending.

Government-Wide Financial Statements

- The Statement of Net Position presents all of the Village's assets and liabilities, with the difference between the two reported as "net position". Over time, increases or decreases in the Village's net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.
- The Statement of Activities presents information showing how the Village's net position changed during the current year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Therefore, some revenues and some expenses that are reported in this statement will not result in cash flows until future years.

Fund Financial Statements

The services provided by the Village are financed through a governmental fund. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Village conducts its day-to-day operations through a governmental fund, the General Fund, and a business-type activity, the Village's utility system. These statements provide a short-term view of the Village's finances and assists in determining whether there will be adequate financial resources available to meet the current needs of the Village.

A summary of the basic government-wide financial statements is as follows:

Summary of Statement of Net Position

	June 2020			June 2019		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
ASSETS:						
Current Assets	\$54,193	\$ 106,978	\$ 161,171	\$79,054	\$ 77,990	\$ 157,044
Restricted Assets	0	32,015	32,015	0	44,027	44,027
Capital Assets, Net of Accumulated Depreciation	<u>965</u>	<u>2,369,090</u>	<u>2,370,055</u>	<u>1,132</u>	<u>2,466,176</u>	<u>2,467,308</u>
Total Assets	<u>\$55,158</u>	<u>\$2,508,083</u>	<u>\$2,563,241</u>	<u>\$80,186</u>	<u>\$2,588,193</u>	<u>\$2,668,379</u>
LIABILITIES:						
Accounts/Other Payables	\$ 418	\$ 18,833	\$ 19,251	\$26,661	\$ 27,450	\$ 54,111
Customer Deposits Payable	<u>0</u>	<u>31,915</u>	<u>31,915</u>	<u>0</u>	<u>30,335</u>	<u>30,335</u>
Total Liabilities	<u>\$ 418</u>	<u>\$ 50,748</u>	<u>\$ 51,166</u>	<u>\$26,661</u>	<u>\$ 57,785</u>	<u>\$ 84,446</u>
NET POSITION:						
Net Investment in Capital Assets	\$ 965	\$2,369,090	\$2,370,055	\$ 1,132	\$2,466,176	\$2,467,308
Unrestricted	<u>53,775</u>	<u>88,245</u>	<u>142,020</u>	<u>52,393</u>	<u>64,232</u>	<u>116,625</u>
Net Position	<u>\$54,740</u>	<u>\$2,457,335</u>	<u>\$2,512,075</u>	<u>\$53,525</u>	<u>\$2,530,408</u>	<u>\$2,583,933</u>

Summary of Statement of Activities

	June 2020			June 2019		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
REVENUES:						
Charges for Services	\$ 0	\$280,195	\$280,195	\$ 0	\$315,314	\$ 315,314
Licenses & Fees	17,865	0	17,865	34,501	0	34,501
Fines	10,398	0	10,398	10,549	0	10,549
Grants-						
Federal	0	0	0	484,941	0	484,941
State	0	5,148	5,148	0	143,678	143,678
Interest	240	85	325	139	118	257
Other	13,558	0	13,558	470	484,941	485,411
Transfers	<u>5,875</u>	<u>0</u>	<u>5,875</u>	<u>1,132</u>	<u>0</u>	<u>1,132</u>
Total Revenues	<u>\$47,936</u>	<u>\$285,428</u>	<u>\$333,364</u>	<u>\$531,732</u>	<u>\$944,051</u>	<u>\$1,475,783</u>
EXPENSES:						
Public Safety	\$11,972	\$ 0	\$ 11,972	\$ 11,416	\$ 0	\$ 11,416
General Government	34,749	0	34,749	38,268	0	38,268
Public Works	0	352,626	352,626	484,491	497,681	982,172
Transfers	<u>0</u>	<u>5,875</u>	<u>5,875</u>	<u>0</u>	<u>1,132</u>	<u>1,132</u>
Total Expenses	<u>\$46,721</u>	<u>\$358,501</u>	<u>\$405,222</u>	<u>\$534,625</u>	<u>\$498,813</u>	<u>\$1,033,438</u>
Change in Net Position	<u>\$ 1,215</u>	<u>\$(73,073)</u>	<u>\$(71,858)</u>	<u>\$(2,893)</u>	<u>\$445,238</u>	<u>\$ 442,345</u>

Governmental Activities

- The Village's assets exceeded its liabilities by \$54,740 (net position) for the year. This is an increase of \$1,215 from prior year.
- Unrestricted net position of \$53,775 represents the portion available to maintain the Village's obligations to both citizens and creditors. For the prior year, this was \$52,393.

Business Type Activities

- The Proprietary Fund experienced a decrease in net position of \$73,073 for the year. For the year prior the increase in net position was \$445,238.

General Fund Budgetary Highlights

The Village adopted a budget for the General Fund for the 2019/2020 year. Actual revenues were \$761 more than budgeted revenues and actual expenditures were \$5,254 more than budgeted expenditures.

Economic Factors and Next Year's Budget

The Village has prepared its FY 2020/2021 budget for the General Fund on the assumption that revenues and expenditures will remain fairly constant next year. Both revenues and expenditures for the Utility Enterprise Fund should also remain constant during the next year.

Capital Assets

The Village's investment in capital assets for its governmental and business-type activities as of June 30, 2020 amounts to \$2,370,055 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, infrastructure, and construction in progress. Additional information on the Village of Provençal's capital assets can be found on pages 26 and 27 of this report.

Contacting the Village

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to the Village at P. O. Box 400, Provençal, LA 71468.

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

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

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

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

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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

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

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

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

Accountant's Conclusion

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

Other Matter Paragraphs

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the following supplementary information on page 1 through 4 and page 30 be presented to supplement the basic financial statements:

Budgetary Comparison Schedule
Management's Discussion and Analysis

Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The information is the responsibility of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the information and, accordingly, do not express an opinion on such information.

Supplementary Information

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

Thomas, Cunningham, Broadway & Todtenbier, CPA's

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

December 14, 2020

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

Village of Provencal
Government-Wide Statement of Net Position
June 30, 2020

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$38,602	\$ 52,635	\$ 91,237
Revenue and Accounts Receivable	0	54,343	54,343
Due from Utility Fund	<u>15,591</u>	<u>0</u>	<u>15,591</u>
Total Current Assets	<u>\$54,193</u>	<u>\$ 106,978</u>	<u>\$ 161,171</u>
Noncurrent Assets:			
Restricted Assets-			
Customers' Account Deposits	\$ 0	\$ 32,015	\$ 32,015
Capital Assets (net)	<u>965</u>	<u>2,369,090</u>	<u>2,370,055</u>
Total Noncurrent Assets	<u>\$ 965</u>	<u>\$2,401,105</u>	<u>\$2,402,070</u>
Total Assets	<u>\$55,158</u>	<u>\$2,508,083</u>	<u>\$2,563,241</u>
LIABILITIES:			
Current Liabilities:			
Accounts Payable	\$ 418	\$ 3,242	\$ 3,660
Due to General Fund	<u>0</u>	<u>15,591</u>	<u>15,591</u>
Total Current Liabilities	\$ 418	\$ 18,833	\$ 19,251
Noncurrent Liabilities:			
Payable from Restricted Assets-			
Customers' Deposits Payable	<u>0</u>	<u>31,915</u>	<u>31,915</u>
Total Liabilities	<u>\$ 418</u>	<u>\$ 50,748</u>	<u>\$ 51,166</u>
NET POSITION:			
Net Investment in Capital Assets	\$ 965	\$2,369,090	\$2,370,055
Unrestricted	<u>53,775</u>	<u>88,245</u>	<u>142,020</u>
Total Net Position	<u>\$54,740</u>	<u>\$2,457,335</u>	<u>\$2,512,075</u>

See independent accountant's review report and notes to financial statements.

Village of Provençal
Government-Wide Statement of Activities
For the Year Ended June 30, 2020

Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating and Contributions	Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities
Governmental Activities:							
General Government	\$ 34,749	\$ 17,865	\$ 0	\$0	\$(16,884)	\$ 0	\$ (16,884)
Public Safety	<u>11,972</u>	<u>10,398</u>	<u>0</u>	<u>0</u>	<u>(1,574)</u>	<u>0</u>	<u>(1,574)</u>
Total Governmental Activities	\$ <u>46,721</u>	\$ <u>28,263</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(18,458)</u>	\$ <u>0</u>	\$ <u>(18,458)</u>
Business-Type Activities:							
Water/Sewer	\$ <u>352,626</u>	\$ <u>280,195</u>	\$ <u>5,148</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(67,283)</u>	\$ <u>(67,283)</u>
Total Government	\$ <u>399,347</u>	\$ <u>308,458</u>	\$ <u>5,148</u>	\$ <u>0</u>	\$ <u>(18,458)</u>	\$ <u>(67,283)</u>	\$ <u>(85,741)</u>
General Revenues:							
Interest					\$ 240	\$ 85	\$ 325
Miscellaneous					<u>13,558</u>	<u>0</u>	<u>13,558</u>
Total General Revenues					\$ 13,798	\$ 85	\$ 13,883
Transfers					<u>5,875</u>	<u>(5,875)</u>	<u>0</u>
Change in Net Position					\$ 1,215	\$ (73,073)	\$ (71,858)
Net Position - July 1, 2019					<u>53,525</u>	<u>2,530,408</u>	<u>2,583,933</u>
Net Position - June 30, 2020					\$ <u>54,740</u>	\$ <u>2,457,335</u>	\$ <u>2,512,075</u>

See independent accountant's review report and notes to financial statements.

FUND FINANCIAL STATEMENTS

Village of Provençal
Balance Sheet- Governmental Fund
June 30, 2020

	<u>Major Fund</u> General Fund	<u>Nonmajor Fund</u> LCDBG Fund	<u>Total</u>
ASSETS:			
Cash and Cash Equivalents	\$38,533	\$69	\$38,602
Due from Utility Fund	<u>15,591</u>	<u>0</u>	<u>15,591</u>
Total Assets	<u>\$54,124</u>	<u>\$69</u>	<u>\$54,193</u>
LIABILITIES:			
Accounts Payable	\$ <u>418</u>	\$ <u>0</u>	\$ <u>418</u>
FUND BALANCE:			
Committed to Capital Projects	\$ 0	\$69	\$ 69
Unassigned	<u>53,706</u>	<u>0</u>	<u>53,706</u>
Total Fund Balance	<u>\$53,706</u>	<u>\$69</u>	<u>\$53,775</u>
Total Liabilities and Fund Balance	<u>\$54,124</u>	<u>\$69</u>	<u>\$54,193</u>

See independent accountant's review report and notes to financial statements.

Village of Provençal
Reconciliation of the Governmental Fund
Balance Sheet to the Statement of Net Position
June 30, 2020

Total Fund Balance for the Governmental Fund at June 30, 2020 \$ 53,775

Total Net Position reported for Governmental Activities
in the Statement of Net Position is different because:

Capital Assets used in Governmental Activities are not
current financial resources and, therefore, are not reported
in the Governmental Fund Balance Sheet.

Those assets consist of:

Equipment and Vehicles	127,580
Less, Accumulated Depreciation	<u>(126,615)</u>

Total Net Position of Governmental Activities at June 30, 2020 \$ 54,740

Village of Provençal
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 2020

	<u>Major Fund</u> General <u>Fund</u>	<u>Nonmajor Fund</u> LCDBG <u>Fund</u>	<u>Total</u>
REVENUES:			
Licenses and Permits	\$17,865	\$ 0	\$17,865
Fines	10,398	0	10,398
Interest	240	0	240
Miscellaneous	<u>13,558</u>	<u>0</u>	<u>13,558</u>
Total Revenues	<u>\$42,061</u>	<u>\$ 0</u>	<u>\$42,061</u>
EXPENDITURES:			
Current-			
General Government	\$34,582	\$ 0	\$34,582
Public Safety	<u>11,972</u>	0	<u>11,972</u>
Total Expenditures	<u>\$46,554</u>	<u>\$ 0</u>	<u>\$46,554</u>
Excess (Deficiency) of Revenues over Expenditures	\$ (4,493)	\$ 0	\$ (4,493)
OTHER FINANCING (SOURCES) USES:			
Transfer In	<u>5,875</u>	<u>0</u>	<u>5,875</u>
Excess (Deficiency) of Revenues over Expenditures and Other Financing Uses	\$ 1,382	\$ 0	\$ 1,382
Fund Balance-Beginning of Year	<u>52,324</u>	<u>69</u>	<u>52,393</u>
Fund Balance-End of Year	<u>\$53,706</u>	<u>\$69</u>	<u>\$53,775</u>

See independent accountant's review report and notes to financial statements.

Village of Provençal
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance of the Governmental Fund
to the Statement of Activities
For the Year Ended June 30, 2020

Total net change in fund balance at June 30, 2020, per Statement of Revenues, Expenditures and Changes in Fund Balance	\$1,382
The change in net position reported for governmental activities in the Statement of Activities is different because:	
Depreciation expense on capital assets is reported in the Government-wide financial statements, but does not require the use of current financial resources and is not reported in the Fund Financial Statements. Current year depreciation expense is:	<u>(167)</u>
Total change in net position at June 30, 2020, per Statement of Activities	<u>\$1,215</u>

Village of Provençal
Statement of Net Position
Proprietary Fund
Year Ended June 30, 2020

ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 52,635
Revenue Receivable	<u>54,348</u>
Total Current Assets	\$ <u>106,978</u>
Noncurrent Assets:	
Restricted Assets-	
Customers' Account Deposits	\$ 32,015
Capital Assets, Net	<u>2,369,090</u>
Total Noncurrent Assets	<u>\$2,401,105</u>
Total Assets	<u>\$2,508,083</u>
LIABILITIES:	
Current Liabilities:	
Accounts Payable	\$ 3,242
Due to Other Fund	<u>15,591</u>
Total Current Liabilities	\$ 18,833
Noncurrent Liabilities:	
Payable from Restricted Assets-	
Customers' Deposits Payable	<u>31,915</u>
Total Liabilities	<u>\$ 50,748</u>
NET POSITION:	
Net Investment in Capital Assets	\$2,369,091
Unrestricted	<u>88,244</u>
Total Net Position	<u>\$2,457,335</u>

See independent accountant's review report and notes to financial statements.

Village of Provençal
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2020

OPERATING REVENUES:	
Sales	\$ <u>280,195</u>
OPERATING EXPENSES:	
Salaries & Benefits	\$ 42,635
Depreciation	97,086
Utility/Telephone	58,882
Office Expenses	47,244
Supplies	54,658
Per Diem	1,200
Contract Labor	<u>45,773</u>
Total Operating Expenses	\$ <u>347,478</u>
Operating Income (Loss)	\$ <u>(67,283)</u>
NON-OPERATING REVENUES & EXPENSES:	
Grant Revenues	\$ 5,148
Grant Expenses	(5,148)
Interest Income	<u>85</u>
Total Non-Operating Revenues (Expenses)	\$ <u>85</u>
Income (Loss) Before Transfers	\$ <u>(67,198)</u>
TRANSFERS:	
Transfer to General Fund	\$ <u>(5,875)</u>
Change in Net Position	\$ (73,073)
Net Position-Beginning of Year	<u>2,530,408</u>
Net Position-End of Year	<u>\$2,457,335</u>

See independent accountant's review report and notes to financial statements.

Village of Provencal
Statement of Cash Flows
Proprietary Fund
June 30, 2020

	<u>Business Type Activities</u>
Cash Flows from Operating Activities:	
Cash Received from Customers	\$ 272,768
Cash Payments for Deposits	1,580
Cash Payments to Suppliers for Goods & Services	(216,374)
Cash Payments to Employees for Services	<u>(42,635)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 15,339</u>
Cash Flows from Non-Capital & Related Financing Activities:	
Operating Grant Income	\$ 5,148
Operating Grant Expenses	(5,148)
Transfers To Other Funds	<u>(5,875)</u>
Net Cash Used by Non-Capital & Related Financing Activities	<u>\$ (5,875)</u>
Cash Flows from Investing Activities:	
Interest Income	<u>\$ 85</u>
Net Increase in Cash & Cash Equivalents	\$ 9,549
Cash & Cash Equivalents at Beginning of Year	<u>75,101</u>
Cash & Cash Equivalents at End of Year	<u>\$ 84,650</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	<u>\$ (67,283)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Depreciation Expense	\$ 97,086
Changes in Assets and Liabilities:	
(Increase)/Decrease in Accounts Receivable	(7,427)
Increase/(Decrease) in Accounts Payable	(8,617)
Increase/(Decrease) in Customer Deposits	<u>1,580</u>
Total Adjustments	<u>\$ 82,622</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 15,339</u>
Reconciliation of Cash & Cash Equivalents at Year End:	
Cash & Cash Equivalents	\$ 52,635
Restricted Cash	<u>32,015</u>
	<u>\$ 84,650</u>

See independent accountant's review report and notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Village of Provençal
Notes to Financial Statements
June 30, 2020

Introduction:

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

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

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

1. Summary of Significant Accounting Policies:

A. REPORTING ENTITY-

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

B. BASIS OF PRESENTATION-

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

Government-Wide Financial Statements (GWFS)

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

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

Village of Provençal
Notes to Financial Statements
June 30, 2020

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Village's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

C. FUND ACCOUNTING-

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

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

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

The funds of the Village are described below:

Governmental Fund-

General Fund

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

LCDBG Fund

The LCDBG Fund is used to record financial resources received from the state.

Village of Provencal
Notes to Financial Statements
June 30, 2020

Proprietary Fund-

Enterprise Fund

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

The Village reports the general fund as major.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING-

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

Accrual Basis - Government-Wide Financial Statements (GWFS)

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

Modified Accrual Basis - Fund Financial Statements (FFS)

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

E. CASH AND INTEREST-BEARING DEPOSITS-

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

Village of Provencal
Notes to Financial Statements
June 30, 2020

F. CAPITAL ASSETS-

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

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

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

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

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

G. RESTRICTED ASSETS-

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

H. INTERFUND TRANSACTIONS-

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

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

I. COMPENSATED ABSENCES-

There is no formal leave policy for the Village; therefore, no entry is made to record compensated absences.

Village of Provencal
Notes to Financial Statements
June 30, 2020

J. EQUITY CLASSIFICATIONS-

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

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

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

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

- a. Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- d. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance - amounts that are available for any purpose. Only the General Fund would report positive amounts in unassigned fund balance.

The General Fund has an unassigned fund balance of \$53,706. If applicable, the Village would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

Village of Provencal
Notes to Financial Statements
June 30, 2020

K. ESTIMATES-

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

L. OPERATING REVENUES AND EXPENSES-

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

M. EXPENDITURES/EXPENSES-

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

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

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

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

N. BUDGET-

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

2. Cash and Cash Equivalents:

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

At June 30, 2020, the Village had \$131,282 in deposits (collected bank balances). These deposits were fully secured from risk by federal deposit insurance.

3. Interfund Assets, Interfund Liabilities, and Operating Transfers:

In the ordinary course of business, the Village routinely transfers resources between its funds. Transfers are used to (1) move revenues from the fund required by statute or budget to collect them to the fund required by statute or budget to spend them, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General Fund	Utility Fund	\$5,875

Village of Provençal
Notes to Financial Statements
June 30, 2020

4. Receivables:

The following is a summary of receivables at June 30, 2020:

<u>Class of Receivable</u>	<u>Proprietary Fund</u>
Water Sales	\$26,794
Sewer Sales	7,749
Gas Sales	<u>19,800</u>
Total	<u>\$54,343</u>

5. Capital Assets:

Capital asset activity for the year ended June 30, 2020, is as follows:

<u>Governmental Activities</u>	<u>Balance 07-01-19</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06-30-20</u>
Capital Assets, Not Depreciated- Construction in Progress	\$ 0	\$ 0	\$0	\$ 0
Capital Assets Depreciated-				
Building	41,190	0	0	41,190
Office Furniture, Fixtures & Equipment	40,378	0	0	40,378
Vehicles	<u>46,012</u>	<u>0</u>	<u>0</u>	<u>46,012</u>
Total Capital Assets	<u>\$ 127,580</u>	<u>\$ 0</u>	<u>\$0</u>	<u>\$ 127,580</u>
Less, Accumulated Depreciation-				
Building	\$ 40,058	\$ 167	\$0	\$ 40,225
Office Furniture, Fixtures & Equipment	40,378	0	0	40,378
Vehicles/Equipment	<u>46,012</u>	<u>0</u>	<u>0</u>	<u>46,012</u>
Total Accumulated Depreciation	<u>\$ 126,448</u>	<u>\$ 167</u>	<u>\$0</u>	<u>\$ 126,615</u>
Net Capital Assets	<u>\$ 1,132</u>	<u>\$ (167)</u>	<u>\$0</u>	<u>\$ 965</u>

Depreciation expense was charged to the General Government function in the amount of \$167.

<u>Business-Type Activities</u>	<u>Balance 07-01-19</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06-30-20</u>
Capital Assets, Not Depreciated- Land	\$ 38,250	\$ 0	\$0	\$ 38,250
Capital Assets Depreciated-				
General Equipment	12,875	0	0	12,875
Utility Systems	<u>3,853,078</u>	<u>0</u>	<u>0</u>	<u>3,853,078</u>
Total Capital Assets	<u>\$3,904,203</u>	<u>\$ 0</u>	<u>\$0</u>	<u>\$3,904,203</u>
Less, Accumulated Depreciation-				
General Equipment	\$ 12,116	\$ 759	\$0	\$ 12,875
Utility Systems	<u>1,425,911</u>	<u>96,327</u>	<u>0</u>	<u>1,522,238</u>
Total Accumulated Depreciation	<u>\$1,438,027</u>	<u>\$ 97,086</u>	<u>\$0</u>	<u>\$1,535,113</u>
Net Capital Assets	<u>\$2,466,176</u>	<u>\$(97,086)</u>	<u>\$0</u>	<u>\$2,369,090</u>

Village of Provencal
Notes to Financial Statements
June 30, 2020

5. Capital Assets (continued):

Depreciation expense for the Utility Fund was \$97,086 and was charged as follows:

General Equipment	\$ 759
Gas System	1,719
Water System	21,995
Sewer System	<u>72,613</u>
Total	<u>\$97,086</u>

6. Related Parties:

The Village had no identified related party transactions for the year ended June 30, 2020.

7. Compensation of Aldermen:

For the year ended June 30, 2020, the following amounts were paid to the Board of Aldermen:

Daniel Gangre	\$ 550
Boe Gangre	550
Ricky Coe	<u>550</u>
Total	<u>\$1,650</u>

8. Litigation:

At June 30, 2020, the Village was not a party in any outstanding civil suit seeking damages.

9. Contingencies:

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a “Public Health Emergency of International Concern” and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had, and are expected to have, an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Village operates. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. Therefore, while the Village anticipates this could negatively affect its operating results, the related financial impact and duration cannot be reasonably estimated at this time.

10. Subsequent Events:

Management has evaluated events through December 14, 2020, the date which the financial statements were available for issue.

On August 27, 2020, Hurricane Laura made landfall as a Category 4 hurricane. The hurricane remained a Category 1 through Alexandria, LA and into Natchitoches Parish causing widespread power outages, fallen trees, and structural wind damage in the geographical area of the Village of Provencal. As a result of the power outages, the Village had to obtain rental equipment to continue providing gas, water, and sewer services to residents of the Village. The full extent of the additional expenditures and repairs cannot be reasonably estimated at this time.

OTHER REQUIRED
SUPPLEMENTARY INFORMATION

Village of Provencal
Schedule of Compensation, Benefits and Other Payments to
Agency Head or Chief Executive Officer
For the Year Ended June 30, 2020

Agency Head Name: Randy Dupree, Mayor

<u>Purpose</u>	<u>Amount</u>
Salary	\$2,600
Benefits-Other	195
Car allowance	4,400
Conferences and travel	3,242

Village of Provenal
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u> <u>Original/Final</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES:			
Licenses and Permits	\$23,750	\$17,865	\$ (5,885)
Fines and Forfeits	10,250	10,398	148
Interest	5,500	240	(5,260)
Miscellaneous	<u>1,800</u>	<u>13,558</u>	<u>11,758</u>
Total Revenues	<u>\$41,300</u>	<u>\$42,061</u>	<u>\$ 761</u>
EXPENDITURES:			
Current-			
General Government	\$18,300	\$34,582	\$(16,282)
Public Safety	<u>23,000</u>	<u>11,972</u>	<u>11,028</u>
Total Expenditures	<u>\$41,300</u>	<u>\$46,554</u>	<u>\$ (5,254)</u>
Excess (Deficiency) of Revenues over Expenditures	\$ <u>0</u>	\$ <u>(4,493)</u>	\$ <u>(4,493)</u>
OTHER FINANCING:			
Transfer In	\$ 0	\$ 5,875	\$ 5,875
Transfer Out	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing	<u>\$ 0</u>	<u>\$ 5,875</u>	<u>\$ 5,875</u>
Excess of Revenues over Expenditures and Other Financing	\$ 0	\$ 1,382	\$ 1,382
Fund Balance- Beginning of Year	<u>52,324</u>	<u>52,324</u>	<u>0</u>
Fund Balance- End of Year	<u>\$52,324</u>	<u>\$53,706</u>	<u>\$ 1,382</u>

See independent accountant's review report and notes to financial statements.

OTHER REPORTS/SCHEDULES

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

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

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

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

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

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

We have performed the procedures enumerated below, which were agreed to by the management of the Village of Provencal (the "Village") and the Louisiana Legislative Auditor, on the Village's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended 30 June 2020, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Village's management is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

PUBLIC BID LAW

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$30,000, and public works exceeding \$250,000. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1755 (the state procurement code) or R.S. 38::2211-2296 (the public bid law), whichever is applicable; and report whether the expenditures were made in accordance with these laws.

There were no expenditures made during the fiscal year for materials and supplies exceeding \$30,000 or for public works exceeding \$250,000.

CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

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

Management provided us with the required list.

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

Management provided us with the required list.

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

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

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

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

BUDGETING

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

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

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

We traced adoption of the original budget to documentation in the minutes of the meeting of the Village's Councilmembers held on May 22, 2019. Management represented that there were no amendments to the budget during the year.

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

We compared the revenues and expenditures of the final budget to actual revenues and expenditures of the Village. Actual revenues met budgeted revenues, however, actual expenditures exceeded budgeted expenditures by more than 5% as allowed.

ACCOUNTING AND REPORTING

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

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

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

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

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

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

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

MEETINGS

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

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

DEBT

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

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

ADVANCES AND BONUSES

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

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

STATE AUDIT LAW

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

The Village's report is due on December 31, 2020, and was submitted timely.

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

The Village was in compliance during the fiscal year.

PRIOR YEAR COMMENTS

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

Our prior year audit report dated December 17, 2019, noted two audit findings: Segregation of Duties and Local Government Budget Act. These findings were not resolved in the current year.

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

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

Thomas, Cunningham, Broadway & Todtenbier, CPA's

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

December 14, 2020

ATTACHMENTS:

Signed Louisiana Attestation Questionnaire
Management's Corrective Action Plan for Exceptions Noted in the Attestation Report (if applicable)

VILLAGE OF PROVENCAL
LOUISIANA ATTESTATION QUESTIONNAIRE

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

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of June 30, 2020 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes No

Code of Ethics for Public Officials and Public Employees

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

Yes No

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

Yes No

Budgeting

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

Yes No

Accounting and Reporting

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

Yes No

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

Yes No

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

Yes No

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

Yes No

Meetings

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

Yes No

Debt

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

Yes No

Advances and Bonuses

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

Yes No

Prior-Year Comments

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

Yes No

General

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

Yes No

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

Yes No

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

Yes No

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

Yes No

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

Yes No

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

Yes No

Signed by and title



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

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

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

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

December 14, 2020

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

RE: Management Letter
Review Report - June 30, 2020

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

LA Revised Statutes require that a budget for the General Fund be amended if actual revenues are less than budgeted revenues by 5% or more, and/or actual expenditures exceed budgeted revenues by 5% or more. For the year ended June 30, 2020, the Village failed to amend the budget when the actual expenditures exceeded budgeted expenditures by more than 5% as allowed. We recommend that the Village institute procedures to ensure the budget for the General Fund is amended whenever actual revenues are less than budgeted revenues by more than 5% and/or actual expenditures are more than budgeted expenditures by more than the 5% allowed.

Sincerely,

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Village of Provencal
P.O. BOX 400
PROVENCAL, LOUISIANA 71468

December 14, 2020

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

RE: Village of Provencal
Review Report – June 30, 2020

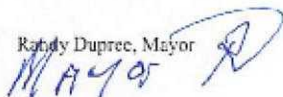
The following is our response to the management letter issued to us by the firm Thomas, Cunningham, Broadway, & Todtenbier, CPA's for the year ended June 30, 2020.

Management's Corrective Action Plan

Local Government Budget Act – We will institute procedures to ensure the budget is amended if actual revenues are less than budgeted revenues by 5% or more, and/or actual expenditures exceed budgeted expenditures by 5% or more as allowed

Sincerely,

Randy Dupree, Mayor



Village of Provençal, Louisiana
Schedule of Prior Year Findings
Year Ended June 30, 2020

Prior Year Findings:

2019-001 Segregation of Duties

Condition - Our evaluation of the internal control structure revealed an absence of appropriate segregation of duties and the lack of personnel available to prepare financial statements and the related note disclosures.

Status - Internal Control is not tested during a review engagement.

2019-002 Local Government Budget Act

Condition - For the year ended June 30, 2019, the Village failed to amend the budget when actual revenues were more than 5% less than budgeted revenues as allowed.

Status - Finding was not cleared as of June 30, 2020.