

# KOLDER, SLAVEN & COMPANY, LLC

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Victor R. Slaven, CPA\* - retired 2020

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November 8, 2021

Louisiana Legislative Auditor  
1600 North Street  
Baton Rouge, LA 70804-9397

RE: Village of Plaquemine, Louisiana – ID #2426

The Village of Plaquemine's financial statement audit report for the period ending December 31, 2020, dated April 15, 2021, failed to include a Justice System Funding Schedule as required by Act 87 of the 2020 Regular Legislative Session (R.S. 24:515.2).

The attached revised audit report for the period ending December 31, 2020 includes the following revisions: the Justice System Funding Schedule Collecting/Disbursing Entity included in the "in relation to" opinion paragraph in the Independent Auditor's Report on pg. 2, Note 15 to the financial statements on pg. 32 and the Justice System Funding Schedule Collecting/Disbursing Entity on pg. 39.

Sincerely,

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

**VILLAGE OF PLAUCHEVILLE, LOUISIANA**

Financial Report

Year Ended December 31, 2020

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Terry L. Romain, Mayor  
and Members of the Board of Aldermen  
Village of Plaquemine, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Plaquemine, Louisiana ("the Village"), as of and for the year ended December 31, 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.

### *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.

### *Auditor's Responsibility*

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

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Village of Plaquemine, Louisiana, as of December 31, 2020, 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.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 34 be presented to supplement the basic financial statements. Such information, although not 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.

The Village of Plaquemine, Louisiana has omitted 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 this missing information.

### ***Other information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Plaquemine, Louisiana's basic financial statements. The budgetary comparison schedules, judicial system funding schedule – collecting/disbursing entity and LCDBG program financial statements on pages 36 through 41 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The judicial system funding schedule – collecting/disbursing entity and the LCDBG program financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 judicial system funding schedule – collecting/disbursing entity and the LCDBG program financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The budgetary comparison schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated April 15, 2021 on our consideration of the Village of Plaquemine, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village of Plaquemine, Louisiana's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Plaquemine, Louisiana's internal control over financial reporting and compliance.

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Alexandria, Louisiana  
April 15, 2021, except as  
to note 15, which is dated  
November 8, 2021

## **BASIC FINANCIAL STATEMENTS**

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



VILLAGE OF PLAUCHEVILLE, LOUISIANA

Statement of Net Position  
December 31, 2020

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and interest-bearing deposits	\$ 165,845	\$ 268,336	\$ 434,181
Receivables, net	10,751	59,168	69,919
Due from other governmental agencies	-	159,369	159,369
Restricted assets:			
Cash and interest-bearing deposits	-	152,511	152,511
Capital assets:			
Land and construction in progress	141,160	543,599	684,759
Depreciable capital assets, net	<u>162,052</u>	<u>2,747,856</u>	<u>2,909,908</u>
Total assets	<u>479,808</u>	<u>3,930,839</u>	<u>4,410,647</u>
<b>LIABILITIES</b>			
Accounts and other payables	4,268	24,646	28,914
Accrued interest	-	1,674	1,674
Construction contracts payable	-	138,536	138,536
Construction retainage payable	-	20,833	20,833
Customer deposits payable	-	89,533	89,533
Long-term liabilities:			
Portion due within one year -			
Capital lease payable	-	7,194	7,194
Bonds payable	-	33,000	33,000
Portion due after one year -			
Capital lease payable	-	2,507	2,507
Bonds payable	<u>-</u>	<u>644,000</u>	<u>644,000</u>
Total liabilities	<u>4,268</u>	<u>961,923</u>	<u>966,191</u>
<b>NET POSITION</b>			
Net investment in capital assets	303,212	2,609,377	2,912,589
Restricted for debt service	-	56,500	56,500
Unrestricted	<u>172,328</u>	<u>303,039</u>	<u>475,367</u>
Total net position	<u>\$ 475,540</u>	<u>\$ 2,968,916</u>	<u>\$ 3,444,456</u>

The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Statement of Activities

For the Year Ended December 31, 2020

Activities	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Fee, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 102,155	\$ -	\$ 2,100	\$ -	\$ (100,055)	\$ -	\$ (100,055)
Public safety:							
Police	103,946	2,763	-	-	(101,183)	-	(101,183)
Fire	8,558	-	-	-	(8,558)	-	(8,558)
Recreation	37,790	-	-	11,318	(26,472)	-	(26,472)
Public works	12,676	-	-	-	(12,676)	-	(12,676)
Total governmental activities	<u>265,125</u>	<u>2,763</u>	<u>2,100</u>	<u>11,318</u>	<u>(248,944)</u>	<u>-</u>	<u>(248,944)</u>
Business-type activities:							
Water	501,772	548,059	-	442,844	-	489,131	489,131
Total	<u>\$ 766,897</u>	<u>\$ 550,822</u>	<u>\$ 2,100</u>	<u>\$ 454,162</u>	<u>(248,944)</u>	<u>489,131</u>	<u>240,187</u>
General revenues:							
Taxes -							
Property taxes, levied for general purposes					7,174	-	7,174
Sales and use taxes, levied for general purposes					58,437	-	58,437
Licenses and permits					27,256	-	27,256
Franchise taxes					16,273	-	16,273
Beer taxes					457	-	457
Interest earnings					1,774	3,310	5,084
Miscellaneous					11,253	1,354	12,607
Gain on sale of capital assets					-	12,915	12,915
Transfers					120,072	(120,072)	-
Total general revenues and transfers					<u>242,696</u>	<u>(102,493)</u>	<u>140,203</u>
Change in net position					(6,248)	386,638	380,390
Net position - beginning					481,788	2,582,278	3,064,066
Net position - ending					<u>\$ 475,540</u>	<u>\$ 2,968,916</u>	<u>\$ 3,444,456</u>

The accompanying notes are an integral part of the basic financial statements.

**FUND FINANCIAL STATEMENTS (FFS)**

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Balance Sheet  
Governmental Fund - General Fund  
December 31, 2020

ASSETS	
Cash and interest-bearing deposits	\$ 165,845
Receivables:	
Taxes	5,596
Other	<u>5,155</u>
Total assets	<u>\$ 176,596</u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts and other payables	<u>\$ 4,268</u>
Fund Balances:	
Unassigned	<u>172,328</u>
Total liabilities and fund balances	<u>\$ 176,596</u>

The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Position  
December 31, 2020

Total fund balances for governmental funds	\$ 172,328
Capital assets, net	<u>303,212</u>
Net position at December 31, 2020	<u>\$ 475,540</u>

The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balance -  
 Governmental Fund  
 For the Year Ended December 31, 2020

Revenues:	
Taxes:	
Sales	\$ 58,437
Property	7,174
Franchise fees	16,273
Licenses and permits	27,256
Intergovernmental	14,331
Fines and forfeits	2,763
Miscellaneous	12,571
Total revenues	<u>138,805</u>
Expenditures:	
Current -	
General government	87,241
Public safety:	
Police	98,118
Fire	7,363
Recreation	27,437
Public works	12,510
Capital outlay	5,875
Total expenditures	<u>238,544</u>
Deficiency of revenues over expenditures	<u>(99,739)</u>
Other financing sources:	
Transfers in	<u>120,072</u>
Net change in fund balance	20,333
Fund balance, beginning	<u>151,995</u>
Fund balance, ending	<u>\$ 172,328</u>

The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance of Governmental Fund  
to the Statement of Activities  
For the Year Ended December 31, 2020

Total net change in fund balance per statement of revenues, expenditures and changes in fund balance	\$ 20,333
Capital assets:	
Capital outlay	\$ 5,875
Depreciation expense	<u>(32,456)</u> <u>(26,581)</u>
Change in net position per statement of activities	<u>\$ (6,248)</u>

The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Statement of Net Position  
 Proprietary Fund  
 December 31, 2020

ASSETS

Current assets:	
Cash and interest-bearing deposits	\$ 268,336
Receivables, net	59,168
Due from other governments	<u>159,369</u>
Total current assets	<u>486,873</u>
Noncurrent assets:	
Restricted assets -	
Cash and interest-bearing deposits	152,511
Capital assets:	
Land and construction in progress	543,599
Depreciable capital assets, net	<u>2,747,856</u>
Total noncurrent assets	<u>3,443,966</u>
Total assets	<u>3,930,839</u>

LIABILITIES

Current liabilities:	
Accounts payables	23,783
Salaries payable	863
Construction contracts payable	138,536
Construction retainage payable	20,833
Capital lease payable	7,194
Payable from restricted assets -	
Accrued interest payable	1,674
Revenue bond payable	<u>33,000</u>
Total current liabilities	<u>225,883</u>
Noncurrent liabilities:	
Customers' deposits	89,533
Capital lease payable	2,507
Revenue bond payable	<u>644,000</u>
Total noncurrent liabilities	<u>736,040</u>
Total liabilities	<u>961,923</u>

NET POSITION

Net investment in capital assets	2,609,377
Restricted for debt service	56,500
Unrestricted net position	<u>303,039</u>
Total net position	<u>\$ 2,968,916</u>

The accompanying notes are an integral part of the basic financial statements.



VILLAGE OF PLAUCHEVILLE, LOUISIANA

Statement of Revenues, Expenses, and Changes in Net Position  
 Proprietary Fund  
 For the Year Ended December 31, 2020

Operating revenues:	
Charges for services	
Water services	\$ 548,059
Miscellaneous	<u>1,354</u>
Total operating revenues	<u>549,413</u>
Operating expenses:	
Salaries	116,617
Payroll taxes	8,921
Maintenance and supplies	100,629
Utilities and telephone	26,241
Office supplies	11,667
Insurance	19,637
Professional fees	16,020
Miscellaneous	2,510
Depreciation expense	<u>167,358</u>
Total operating expenses	<u>469,600</u>
Operating income	<u>79,813</u>
Nonoperating revenues (expenses):	
Grant revenues	442,844
Interest income	3,310
Gain on sale of fixed assets	12,915
Interest expense	<u>(32,172)</u>
Total nonoperating revenues (expenses)	<u>426,897</u>
Income before transfers	506,710
Operating transfers out	<u>(120,072)</u>
Change in net position	386,638
Net position, beginning	<u>2,582,278</u>
Net position, ending	<u>\$ 2,968,916</u>

The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Statement of Cash Flows  
 Proprietary Fund  
 For the Year Ended December 31, 2020

Cash flows from operating activities:	
Receipts from customers	\$ 552,028
Payments to suppliers	(194,359)
Payments to employees	(128,115)
Other receipts	<u>1,354</u>
Net cash provided by operating activities	<u>230,908</u>
Cash flows from noncapital financing activities:	
Transfers to other funds	<u>(120,072)</u>
Cash flows from capital and related financing activities:	
Proceeds from grant revenues	283,475
Proceeds from sale of assets	12,915
Principal paid on revenue bonds payable	(32,000)
Principal paid on capital lease payable	(6,727)
Interest and fiscal charges paid on revenue bonds	(32,068)
Interest and fiscal charges paid on capital lease	(900)
Capital purchase and construction of capital assets	<u>(348,120)</u>
Net cash used by capital and related financing activities	<u>(123,425)</u>
Cash flows from investing activities:	
Purchase of interest-bearing deposits with maturity in excess of ninety days	(149,627)
Proceeds of interest-bearing deposits with maturity in excess of ninety days	50,379
Interest income	<u>3,310</u>
Net cash used by investing activities	<u>(95,938)</u>
Net change in cash and interest-bearing deposits	(108,527)
Cash and interest-bearing deposits, beginning of period	<u>379,747</u>
Cash and interest-bearing deposits, end of period	<u>\$ 271,220</u>

(continued)

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Statement of Cash Flows  
 Proprietary Fund (Continued)  
 For the Year Ended December 31, 2020

Reconciliation of operating income to net cash provided by operating activities:

Operating income	\$ 79,813
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation	167,358
Changes in current assets and liabilities:	
Accounts receivable	(34)
Accounts payable	(17,655)
Salaries payable	(2,577)
Customers' deposits	<u>4,003</u>
Net cash provided by operating activities	<u>\$ 230,908</u>

Reconciliation of cash and cash equivalents per statement of cash flows to statement of net position:

Cash and cash equivalents, beginning of period -	
Cash and cash equivalents - unrestricted	\$ 261,856
Cash and cash equivalents - restricted	168,270
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(50,379)</u>
Total cash and cash equivalents, beginning of period	<u>379,747</u>
Cash and cash equivalents, end of period -	
Cash and cash equivalents - unrestricted	268,336
Cash and cash equivalents - restricted	152,511
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(149,627)</u>
Total cash and cash equivalents, end of period	<u>271,220</u>
Net change in cash and cash equivalents	<u>\$ (108,527)</u>

The accompanying notes are an integral part of the basic financial statements.

# VILLAGE OF PLAUCHEVILLE, LOUISIANA

## Notes to Basic Financial Statements

### (1) Summary of Significant Accounting Policies

The accompanying financial statements of the Village of Plaquemine (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 the subsequent subsections of this note.

#### A. Financial Reporting Entity

The Village of Plaquemine was incorporated in 1903 under the provisions of the Lawrason Act. The Village is governed by its Mayor and Board of Alderman consisting of three members.

This report includes all funds that are controlled by or dependent on the Village executive and legislative branches (the Mayor and Board of Alderman). Control by or dependence on the Village was determined on the basis of budget adopting, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

The Village of Plaquemine is a primary government and has no component units. The accompanying financial statements present information only on the funds maintained by the Village and do not present information on any other governmental unit.

#### B. Basis of Presentation

##### Government-Wide Financial Statements (GWFS)

The government-wide financial statements provide operational accountability information for the Village as an economic unit. The government-wide financial statements report the Village's ability to maintain service levels and continue to meet its obligations as they come due. The statements include all governmental activities and all business-type activities of the primary government.

##### Fund Financial Statements

The accounts of the Village are organized on the basis of funds, each of which is considered to be an independent fiscal and accounting entity. The operations of each fund are accounted for within separate sets of self-balancing accounts, which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/net position, revenues, and expenditures/expenses, and transfers.

Major funds are determined as funds whose revenues, expenditures/expenses, assets and deferred outflows of resources or liabilities and deferred inflows of resources are at least ten percent of the totals for all governmental or enterprise funds and at least five percent of the aggregate amount for all governmental and enterprise funds for the same item or funds designated as major at the discretion of the Village.

## VILLAGE OF PLAUCHEVILLE, LOUISIANA

### Notes to Basic Financial Statements

Funds not classified as a major fund are aggregated and presented in a single column in the fund financial statements. The Village uses the following funds, grouped by fund type.

#### Governmental Fund -

Governmental Funds are those through which most governmental functions of the Village are financed. The acquisition use and balances of the Village's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds.

#### 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.

#### Proprietary Fund –

Proprietary funds are used to account for ongoing operations and activities that are similar to those often found in the private sector where the intent is that costs of providing goods and services are recovered through user charges. The proprietary fund maintained by the Village is the enterprise fund.

#### Enterprise fund

The Enterprise Fund is used to report activities for which a fee is charged to external users. This fund accounts 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 are 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 Water Utility Fund.

#### C. Measurement Focus/Basis of Accounting and Financial Statement Presentation

The measurement focus determines the accounting and financial reporting treatment applied to a fund. The governmental and business-type activities within the government-wide statement of net position and statement of activities are presented using the economic resources measurement focus. The economic resources measurement focus meets the accounting objectives of determining net income, net position, and cash flows.

The fund financial statements use either the current financial resources measurement focus or the economic resources measurement focus as appropriate. Governmental funds use the current financial resources measurement focus. The

## VILLAGE OF PLAUCHEVILLE, LOUISIANA

### Notes to Basic Financial Statements

measurement focus is based upon the receipt and disbursement of current available financial resources rather than upon net income. The measurement focus of the proprietary fund types, the flow of economic resources, is based upon determination of net income, net position and cash flows.

The accrual basis of accounting is used throughout the government-wide statements; conversely, the financial statements of the governmental funds have been prepared in accordance with the modified accrual basis of accounting, whereby revenues are recognized when considered both measurable and available to finance expenditures of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. An exception to this is grants collected on a reimbursement basis. Those reimbursable grants are recognized as revenue when reimbursable expenditures are made. The Village considers reimbursement amounts received within one year as available. The Village accrues intergovernmental revenue, ad valorem and sales tax revenue, franchise fees, and charges for services based upon this concept. Expenditures generally are recognized when the related fund liabilities are incurred and become payable in the current period. Proceeds of debt are reported as other financing sources, and principal and interest on long-term debt, as well as expenditure related to compensated absences and claims and judgments, are recorded as expenditures when paid.

Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursement for specific purposes or projects are recognized in the period in which the expenditures are recorded. All other revenue items are considered to be measurable and available only when cash is received by the Village. Transfers between governmental funds are recorded when the related liability is incurred. These transfers do not represent revenues (expenditures) to the Village and are, therefore, reported as other financing sources (uses) in the governmental fund financial statements.

Since the fund level statements are presented using a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each fund level statement that summarizes the adjustments necessary to convert the fund level statements into the government-wide presentations. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The financial statements of the enterprise funds have been prepared in accordance with the accrual basis of accounting. Accordingly, revenues are recorded when earned, and expenses and related liabilities are recorded when incurred.

#### D. Asset, Deferred Outflows, Liabilities, Deferred Inflows and Equity

##### Cash and interest-bearing deposits

For purposes of the statement of net position, cash and interest-bearing deposits include all cash on hand, demand accounts, savings accounts, and certificates of deposits of the Village. Under state law, the Village may deposit funds

## VILLAGE OF PLAUCHEVILLE, LOUISIANA

### Notes to Basic Financial Statements

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 of America. The Village may invest in certificates and time deposits of state banks organized under Louisiana laws and national banks having principal offices in Louisiana.

For the purpose of the proprietary funds statement of cash flows, “cash and interest-bearing deposits” include all demand deposits and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

#### Receivables

Receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include ad valorem, sales and use taxes, and franchise taxes. Business-type activities report customers’ utility service receivables as their major receivables. Uncollectible amounts due from utility service receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular, receivable. Allowance for uncollectible receivables was \$7,088 at December 31, 2020. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Village in October and are actually billed to taxpayers in November. The Village bills and collects its own property taxes using the assessed values determined by the tax assessor of Avoyelles Parish. Village property tax revenues are budgeted in the year billed.

#### 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.”

#### Restricted Assets

Restricted assets include cash and interest-bearing deposits that are legally restricted as to their use. The restricted assets in the water utility fund are related to the water revenue bond accounts, utility meter deposits and grant proceeds.

#### Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated acquisition value at the date of

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements

donation. The Village maintains a threshold level of \$1,000 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Prior to July 1, 2003, governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

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:

Buildings	40 years
Equipment, furniture and fixtures	5-25 years
Utility system and improvements	20-40 years
Infrastructure	20 years

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

Compensated Absences

Full-time employees of the Village earn from 5 to 10 days of paid time off (PTO) each year (depending on the length of service). PTO may be accumulated up to 16 hours and carried over to future years; however, accumulated PTO at retirement or resignation is forfeited, and not be paid to the employee.

No accruals for accumulated unused compensated absences have been made in these financial statements due to the amount being immaterial.

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used for 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. The long-term debt consists of water revenue bonds payable and a capital lease payable.

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 financial statements as it is in the government-wide statements.



## VILLAGE OF PLAUCHEVILLE, LOUISIANA

### Notes to Basic Financial Statements

#### Deferred Outflows of Resources and Deferred Inflows of Resources

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period (s) and so will not be recognized as an inflow of resources (revenue) until that time.

#### 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 position with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, laws, or regulations of other governments; or (2) laws through constitutional provisions or enabling legislation. It is the Village's policy to use restricted net position prior to the use of unrestricted net position when both restricted and unrestricted net position are available for an expense which has been incurred.
- c. Unrestricted net position consists of all other net assets, deferred outflows of resources, liabilities and deferred inflows of resources that do not meet the definition of "restricted" or "net investment in capital assets."

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily upon the extent to which the Village is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The categories and their purposes are:

- a. Non-spendable includes fund balance amounts that cannot be spent either because they are not in spendable form or because of legal or contractual constraints requiring they remain intact.

## VILLAGE OF PLAUCHEVILLE, LOUISIANA

### Notes to Basic Financial Statements

- b. Restricted includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors, grantors, contributors, or amounts constrained due to constitutional provisions or enabling legislation or the laws or regulations of other governments.
- c. Committed includes fund balance amounts that can be used only for specific purposes that are internally imposed by the Village through formal legislative action of the Mayor and Board of Aldermen and does not lapse at year end. A committed fund balance constraint can only be established, modified, or rescinded by passage of an ordinance (law) by the Mayor and Board of Aldermen.
- d. Assigned includes fund amounts that are constrained by the Village's intent to be used for specific purposes, that are neither restricted nor committed. The assignment of fund balance is authorized by a directive from the Village administrator and approval of a resolution by the Mayor and Board of Aldermen.
- e. Unassigned includes fund balance amounts which have not been classified within the above-mentioned categories.

It is the Village's policy to use restricted amounts first when both restricted and unrestricted fund balance is available unless prohibited by legal or contractual provisions. Additionally, the Village uses committed, assigned, and lastly unassigned amounts of fund balance in that order when expenditures are made.

Propriety fund equity is classified the same as in government-wide statements.

#### E. Revenues, Expenditures, and Expenses

##### Revenues

The Village considers revenue to be susceptible to accrual in the governmental funds as it becomes measurable and available, as defined under the modified accrual basis of accounting. The Village generally defines the availability period for revenue recognition as received within sixty (60) days of year end. The Village's major revenue sources that meet this availability criterion are intergovernmental revenues, franchise fees, tax revenue, and charges for services.

There are two classifications of programmatic revenues for the Village, grant revenue and program revenue. Grant revenues are revenues from federal, state, and private grants. These revenues are recognized when all applicable eligibility requirements are met and are reported as intergovernmental revenues. Program revenues are derived directly from the program itself or from parties outside the Village's taxpayers or citizenry, as a whole. Program revenues reduce the cost of the function to be financed from the Village's general revenues. The primary sources of program revenue are fees, fines, and charges paid by recipients of goods or services,

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements

grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and earned income in connection with the operation of the Village's utility system.

Interest income is recorded as earned in the fund holding the interest-bearing asset.

Substantially all other revenues are recorded when received.

Operating Revenues and Expenses

In the proprietary funds, operating revenues are those revenues produced as a result of providing services and producing and delivering goods and/or services. Nonoperating revenues are funds primarily provided by investing activities, such as financial institution interest income, gains on disposal of assets and insurance recoveries on property loss. Operating expenses are those expenses related to the production of revenue. Nonoperating expenses are those expenses not directly related to the production of revenue and include items such as interest expense and losses on disposal of assets.

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.

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds and proprietary funds have been eliminated.

F. Revenue Restrictions

The Village has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Water revenue	See Note 7

The Village uses unrestricted resources only when restricted resources are fully depleted.

G. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenditures during the reporting period. These estimates include assessing the collectability of accounts receivable and the useful lives and impairment of tangible and intangible assets, among others. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. 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 direct obligations of the United States government, bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and/or the United States government, and time certificates of deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana.

These deposits are stated at cost, which approximates market. 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 the Village will not be able to recover collateral securities that are in the possession of an outside party. The Village does not have a policy for custodial credit risk however, under state law, deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The following is a summary of deposit balances (bank balances) and the related federal insurance and pledged securities:

Bank balances	<u>\$ 596,019</u>
Federal deposit insurance	\$ 541,844
Uninsured and collateral held by pledging bank, not in Village's name	<u>54,175</u>
Total	<u>\$ 596,019</u>

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements

(3) Restricted Assets

Restricted assets of business-type activities consisted of the following:

Customer meter deposits	\$ 89,533
LCDBG grant	181
Bond and interest sinking fund	6,297
Water depreciation and contingency fund	<u>56,500</u>
Total restricted assets	<u>\$ 152,511</u>

(4) Capital Assets

Capital asset activity was as follows:

	<u>Balance Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Ending</u>
Governmental activities:				
Capital assets not being depreciated -				
Land	\$ 141,160	\$ -	\$ -	\$ 141,160
Capital assets being depreciated:				
Buildings and improvements	286,053	-	-	286,053
Infrastructure	349,243	-	-	349,243
Equipment, furniture and fixtures	<u>154,719</u>	<u>5,875</u>	<u>-</u>	<u>160,594</u>
Total capital assets being depreciated	<u>790,015</u>	<u>5,875</u>	<u>-</u>	<u>795,890</u>
Less accumulated depreciation -				
Buildings and improvements	224,417	7,390	-	231,807
Infrastructure	261,755	13,246	-	275,001
Equipment, furniture and fixtures	<u>115,210</u>	<u>11,820</u>	<u>-</u>	<u>127,030</u>
Total accumulated depreciation	<u>601,382</u>	<u>32,456</u>	<u>-</u>	<u>633,838</u>
Total capital assets being depreciated, net	<u>188,633</u>	<u>(26,581)</u>	<u>-</u>	<u>162,052</u>
Governmental activities, capital assets, net	<u>\$ 329,793</u>	<u>\$ (26,581)</u>	<u>\$ -</u>	<u>\$ 303,212</u>

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements

Depreciation expense was charged to governmental activities as follows:

General government	\$ 14,914
Police	5,828
Fire	1,195
Public works	166
Recreation	<u>10,353</u>
Total depreciation expense	<u>\$ 32,456</u>

	<u>Balance Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Ending</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 5,000	\$ -	\$ -	\$ 5,000
Construction in progress	<u>51,110</u>	<u>487,489</u>	<u>-</u>	<u>538,599</u>
Total capital assets not being depreciated	<u>56,110</u>	<u>487,489</u>	<u>-</u>	<u>543,599</u>
Capital assets being depreciated:				
Water system	4,771,062	-	-	4,771,062
Machinery and equipment	<u>252,461</u>	<u>20,000</u>	<u>26,480</u>	<u>245,981</u>
Total capital assets being depreciated	<u>5,023,523</u>	<u>20,000</u>	<u>26,480</u>	<u>5,017,043</u>
Less accumulated depreciation				
Water system	1,894,395	150,032	-	2,044,427
Machinery and equipment	<u>233,914</u>	<u>17,326</u>	<u>26,480</u>	<u>224,760</u>
Total accumulated depreciation	<u>2,128,309</u>	<u>167,358</u>	<u>26,480</u>	<u>2,269,187</u>
Total capital assets being depreciated, net	<u>2,895,214</u>	<u>(147,358)</u>	<u>-</u>	<u>2,747,856</u>
Business-type activities, capital assets, net	<u>\$ 2,951,324</u>	<u>\$ 340,131</u>	<u>\$ -</u>	<u>\$ 3,291,455</u>

Depreciation expense was charged to business-type activities as follows:

Water	<u>\$ 167,358</u>
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VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements

(5) Long-Term Liabilities

The following is a summary of long-term liability transactions of the Village:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amount due in one year</u>
Business-type activities					
Capital lease	\$ 16,428	\$ -	\$ 6,727	\$ 9,701	\$ 7,194
Water revenue bonds	709,000	-	32,000	677,000	33,000
Total	<u>\$ 725,428</u>	<u>\$ -</u>	<u>\$ 38,727</u>	<u>\$ 686,701</u>	<u>\$ 40,194</u>

For the purpose of improving its waterworks system the Village issued \$825,000 of 2016 Water Revenue Bonds during the year ended December 31, 2016. The bonds are due in annual installments of \$28,000 to \$59,000 through December 1, 2035, bearing an annual interest at 3.0%, and secured by water utility revenues. The water revenue bond ordinance requires the Village to maintain separate sinking fund and contingency accounts along with water utility rates that generate net revenues equal to or greater than 115% of the largest outstanding principal and interest payment in any future year. In the event of default with any covenants under the ordinance, which continues for a period of more than thirty days, the bond owners are entitled to the appointment of a receiver to take possession of the water system until such time as the default is cured.

Annual debt service requirement of bonds outstanding was as follows:

<u>Year Ended December 31,</u>	<u>Direct Placement Debt</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 33,000	\$ 20,310	\$ 53,310
2022	35,000	19,320	54,320
2023	36,000	18,270	54,270
2024	38,000	17,190	55,190
2025	39,000	16,050	55,050
2026-2030	223,000	61,530	284,530
2031-2035	273,000	25,260	298,260
Total	<u>\$ 677,000</u>	<u>\$ 177,930</u>	<u>\$ 854,930</u>

On October 15, 2020, the Village agreed to reduce the interest rate on the December 1, 2020 to December 1, 2035 maturities of the outstanding Water Revenue Bonds, Series 2016 from 4.25% to 3.0%. This interest rate reduction decreased the Village's total remaining debt service payments on the bonds by \$71,860, resulting in an economic gain (difference between the present value of the old debt service payments and the new debt service payments) of \$60,466.

On April 16, 2019, the Village entered into a lease agreement with John Deere Financial for an excavator and various attachments. This lease represents a direct borrowing financed purchase secured by leased assets valued at \$42,785 with accumulated depreciation of \$7,131. The debt related to this capital lease is recorded as long-term debt in the enterprise fund. In the event of default, the Lessor may declare all amounts due and payable as well as request the return of the equipment.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements

The following is a schedule of future principal and interest payments under the lease as of December 31, 2020.

<u>Year Ended December 31,</u>	<u>Direct Borrowing Debt</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 7,194	\$ 433	\$ 7,627
2022	2,507	35	2,542
Total	<u>\$ 9,701</u>	<u>\$ 468</u>	<u>\$ 10,169</u>

Depreciation of the asset under lease in the amount of \$4,278 is included in the depreciation expense of business-type activities for the year ended December 31, 2020.

(6) Operating Lease

On January 6, 2020, the Village entered into a surface lease to drill, operate, and maintain a water well which expires on January 6, 2030. Total lease expense for the year amounted to \$2,000.

Future minimum lease payments under the operating lease are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Total</u>
2021	\$ 2,000
2022	2,000
2023	2,000
2024	2,000
2025	2,000
2026 - 2030	8,000
Totals	<u>\$ 18,000</u>

(7) Flow of Funds: Restriction on Use – Water Revenues

The revenues of the water system are partially pledged to retire the bonds dated January 26, 2016. The bond resolutions of the Water Revenue Refunding Bonds, Series 2016 requires the establishment and maintenance of the following bank accounts:

Water Revenue Bond and Interest Sinking Fund  
Water Depreciation and Contingency Fund



VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements

The Water System Fund is required to transfer the following amounts into the Water Revenue Bond and Interest Sinking fund on or before the 20<sup>th</sup> day of each month.

<u>December to November</u>	<u>Amount</u>
2019 - 2020	\$ 5,083
2020 - 2021	4,442
2021 - 2022	4,527
2022 - 2023	4,522
2023 - 2024	4,599
2024 - 2025	4,587
2025 - 2026	4,657
2026 - 2027	4,721
2027 - 2028	4,780
2028 - 2029	4,751
2029 - 2030	4,802
2030 - 2031	4,849
2031 - 2032	4,891
2032 - 2033	5,011
2033 - 2034	5,040
2034 - 2035	5,064

The Water System Fund is also required to transfer on or before the 20<sup>th</sup> day of each month, a sum equal to five percent (5%) of the net revenues of the water system into the Depreciation and Contingency Fund until a sum of \$75,000 is accumulated in the account. Should the sum on deposit in the Contingency Fund fall below \$75,000 at any time, then the monthly deposits set forth above will recommence until \$75,000 is on deposit.

(8) Sales and Use Tax

The proceeds of the 1% sales and use tax levied by the Village are dedicated to the following purposes:

Constructing, acquiring, improving and/or maintaining a new municipal building for the Village, including the purchasing, and acquiring the necessary land, equipment, and furnishings for the building to be utilized as a public meeting hall and for recreational purposes, and for any lawful corporate purpose of the Village. The tax is subject to funding into bonds by the Village for any one or more of the foregoing purposes.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Basic Financial Statements

(9) Interfund Transactions

Transfers consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 120,072	\$ -
Enterprise Fund:		
Water Utility Fund	<u>-</u>	<u>120,072</u>
Total	<u>\$ 120,072</u>	<u>\$ 120,072</u>

Transfers are used to (a) 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 to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

(10) Compensation, Benefits and Other Payments to Mayor

A detail of compensation, benefits and other payments paid to Mayor Terryl St. Romain for the year ended December 31, 2020 is as follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 3,600
Benefits - payroll taxes	455
Reimbursements	135
Conference travel	269
Conference registration fees	100
Travel	<u>399</u>
	<u>\$ 4,958</u>

(11) Compensation Paid to Village Officials

A detail of compensation paid to the Board of Aldermen for the year ended December 31, 2020 follows:

<u>Aldermen:</u>	<u>Salary</u>
Robbie Plauche	\$ 1,200
Guy Lemoine	1,200
Craig Gremillion	<u>1,200</u>
	<u>\$ 3,600</u>

## VILLAGE OF PLAUCHEVILLE, LOUISIANA

### Notes to Basic Financial Statements

(12) Litigation and Claims

On December 31, 2020, the Village was not involved in any lawsuits claiming damages that would not be adequately covered by liability insurance.

(13) Risk Management

The Village is exposed to risks of loss in the areas of general and auto liability, property hazards and workers' compensation. All of these risks are mitigated by purchasing commercial insurance coverage. Management believes coverages are sufficient to preclude significant losses to the Village. There have been no significant reductions in the insurance coverage during the year, nor have settlements exceeded insurance coverage for the past three years.

(14) New Accounting Pronouncements

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases*. The statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a signal model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions of GASB Statement No. 87 are effective for fiscal years beginning after June 15, 2021. The effect of implementation on the Village's financial statements has not yet been determined.

(15) Revised Financial Report

In the original financial report for the fiscal year ended December 31, 2020, dated April 15, 2021, the Village failed to provide a Justice System Funding Schedule as required by Act 87 of the 2020 Regular Legislative Session (R.S. 24:515.2). The original financial report was revised to include a Judicial System Funding Schedule – Collecting/Disbursing Entity on page 39 along with an “in relation to” opinion in the Independent Auditor's Report on page 2. This revision has no impact on the actual financial statement results as previously reported.

**SUPPLEMENTARY INFORMATION**

VILLAGE OF PLAUCHEVILLE, LOUISIANA  
General Fund

Budgetary Comparison Schedule  
For the Year Ended December 31, 2020

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Taxes:				
Sales	\$ 43,000	\$ 47,893	\$ 58,437	\$ 10,544
Property	13,000	6,789	7,174	385
Franchise fees	18,500	17,221	16,273	(948)
Licenses and permits	15,500	27,056	27,256	200
Intergovernmental	2,100	2,557	14,331	11,774
Fines and forfeits	2,500	2,043	2,763	720
Miscellaneous	12,600	10,388	12,571	2,183
Total revenues	<u>107,200</u>	<u>113,947</u>	<u>138,805</u>	<u>24,858</u>
Expenditures:				
Current -				
General government:	78,400	82,421	87,241	(4,820)
Public safety:				
Police	100,900	96,177	98,118	(1,941)
Fire	6,800	5,926	7,363	(1,437)
Culture and recreation	13,450	27,100	27,437	(337)
Public works	1,500	13,333	12,510	823
Capital outlay	-	2,542	5,875	(3,333)
Total expenditures	<u>201,050</u>	<u>227,499</u>	<u>238,544</u>	<u>(11,045)</u>
Deficiency of revenues over expenditures	<u>(93,850)</u>	<u>(113,552)</u>	<u>(99,739)</u>	<u>13,813</u>
Other financing sources:				
Operating transfers in	<u>95,000</u>	<u>117,775</u>	<u>120,072</u>	<u>2,297</u>
Net change in fund balance	1,150	4,223	20,333	16,110
Fund balance, beginning	<u>151,995</u>	<u>151,995</u>	<u>151,995</u>	<u>-</u>
Fund balance, ending	<u>\$ 153,145</u>	<u>\$ 156,218</u>	<u>\$ 172,328</u>	<u>\$ 16,110</u>

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to the Budgetary Comparison Schedule  
For the Year Ended December 31, 2020

(1) Budget and Budgetary Accounting

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

1. The Mayor meets with the Board of Aldermen to review the prior year revenue and expenditures as a basis for projecting the current fiscal year budget.
2. Anticipated changes from the prior year are considered and reflected in the projections.
3. Once adopted, the budget is made available for public inspection and a budget summary is published in the Village's designated official journal.
4. The Village does not formally integrate its budget as a management tool.
5. All budgetary appropriations lapse at the end of the fiscal year.
6. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budget amounts are as originally adopted, or as amended by the Mayor and Board of Aldermen. Such amendments were not material in relation to the original appropriations.

(2) Excess of Expenditures Over Appropriations

The Village incurred expenditures in excess of appropriations in the General Fund.

VILLAGE OF PLAUCHEVILLE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Revenues  
For the Year Ended December 31, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Taxes:				
Sales	\$ 43,000	\$ 47,893	\$ 58,437	\$ 10,544
Property taxes	13,000	6,789	7,174	385
Franchise -				
Electric	11,000	11,000	9,426	(1,574)
Gas	2,500	3,173	4,180	1,007
Cable TV	4,000	2,414	2,014	(400)
Telephone	1,000	634	653	19
Total taxes	<u>74,500</u>	<u>71,903</u>	<u>81,884</u>	<u>9,981</u>
Licenses and permits:				
Occupational licenses	<u>15,500</u>	<u>27,056</u>	<u>27,256</u>	<u>200</u>
Intergovernmental:				
State of Louisiana -				
Beer taxes	-	457	457	-
State grants	-	-	11,318	11,318
State mowing agreement	2,100	2,100	2,100	-
Gaming revenue	-	-	456	456
Total intergovernmental	<u>2,100</u>	<u>2,557</u>	<u>14,331</u>	<u>11,774</u>
Fines and forfeits:				
Fines and court costs	<u>2,500</u>	<u>2,043</u>	<u>2,763</u>	<u>720</u>
Miscellaneous:				
Interest	2,100	1,678	1,774	96
Hall rentals	10,000	5,825	7,200	1,375
Other sources	500	2,885	3,597	712
Total miscellaneous	<u>12,600</u>	<u>10,388</u>	<u>12,571</u>	<u>2,183</u>
Total revenues	<u>\$ 107,200</u>	<u>\$ 113,947</u>	<u>\$ 138,805</u>	<u>\$ 24,858</u>

VILLAGE OF PLAUCHEVILLE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures  
For the Year Ended December 31, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Current:				
General government:				
Administrative -				
Mayor and council salaries	\$ 8,500	\$ 7,200	\$ 7,200	\$ -
Other salaries and wages	27,000	18,032	18,238	(206)
Insurance	10,500	8,865	12,570	(3,705)
Payroll taxes	4,500	1,930	1,946	(16)
Maintenance and supplies	3,500	7,262	8,404	(1,142)
Advertisements and publishing	1,200	760	667	93
Office supplies and postage	1,000	1,964	1,883	81
Professional fees	3,000	19,888	20,450	(562)
Miscellaneous	2,500	2,290	2,308	(18)
Utilities and telephone	14,750	12,980	12,186	794
Dues and subscriptions	1,200	500	550	(50)
Sales tax collection fee	750	750	839	(89)
Total administrative	<u>78,400</u>	<u>82,421</u>	<u>87,241</u>	<u>(4,820)</u>
Public safety:				
Police -				
Salaries	67,000	72,064	74,720	(2,656)
Payroll taxes	7,000	5,513	5,716	(203)
Utilities and telephone	200	-	-	-
Gas, oil and repairs	5,500	4,242	2,108	2,134
Insurance	16,500	13,000	13,916	(916)
Miscellaneous	4,700	1,358	1,658	(300)
Total police department	<u>100,900</u>	<u>96,177</u>	<u>98,118</u>	<u>(1,941)</u>
Fire -				
Contract labor	1,800	1,800	1,800	-
Insurance	5,000	4,126	5,467	(1,341)
Miscellaneous	-	-	96	(96)
Total fire	<u>6,800</u>	<u>5,926</u>	<u>7,363</u>	<u>(1,437)</u>

(continued)



VILLAGE OF PLAUCHEVILLE, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures (continued)  
For the Year Ended December 31, 2020

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Recreation:</b>				
Cleaning and janitorial	7,000	3,373	5,209	(1,836)
Insurance	3,200	3,000	3,372	(372)
Utilities	-	-	331	(331)
Repairs and maintenance	3,250	20,727	17,800	2,927
Miscellaneous	-	-	725	(725)
Total recreation	<u>13,450</u>	<u>27,100</u>	<u>27,437</u>	<u>(337)</u>
<b>Public works:</b>				
Insurance	-	-	264	(264)
Utilities	-	-	479	(479)
Gas, oil and repairs	-	-	4,058	(4,058)
Repairs and maintenance	1,500	13,333	7,709	5,624
Total public works	<u>1,500</u>	<u>13,333</u>	<u>12,510</u>	<u>823</u>
<b>Capital outlay:</b>				
General government	-	2,542	5,875	(3,333)
Total expenditures	<u>\$ 201,050</u>	<u>\$ 227,499</u>	<u>\$ 238,544</u>	<u>\$ (11,045)</u>

VILLAGE OF PLAUCHEVILLE  
Plaucheville, Louisiana

Justice System Funding Schedule - Collecting/Disbursing Entity  
As Required by ACT 87 of the 2020 Regular Legislative Session  
General Fund  
Cash Basis Presentation  
Year Ended December 31, 2020

	<u>First Six Month Period Ended 6/30/2020</u>	<u>Second Six Month Period Ended 12/31/2020</u>
<b>Beginning balance of amounts collected</b>	\$ -	\$ -
<b>Add: Collections</b>		
Criminal Court Costs/Fees	<u>1,138</u>	<u>1,625</u>
<b>Total collections</b>	<u>1,138</u>	<u>1,625</u>
<b>Less: Disbursements to Governments and Nonprofits</b>		
Louisiana Commission on Law Enforcement -		
Crime Victims Reparation Fund/POST LE Training	28	10
Louisiana Supreme Court -		
Case Management Information System	5	9
Louisiana Dept. of Health -		
Traumatic Head and Spinal Cord Injury Trust Fund	15	20
<b>Less: Amounts retained by collecting agency</b>		
Criminal Court Costs/Fees	<u>1,090</u>	<u>1,586</u>
<b>Total disbursements</b>	<u>1,138</u>	<u>1,625</u>
Total ending balance of amounts collected but not disbursed/retained	<u>\$ -</u>	<u>\$ -</u>

VILLAGE OF PLAUCHEVILLE, LOUISIANA

LCDBG Program - Balance Sheet  
December 31, 2020

	Project <u>#449757</u>	Project <u>#230115</u>
ASSETS		
Cash	\$ -	\$ 181
Grant revenue receivable	<u>159,369</u>	<u>-</u>
Total assets	<u>\$ 159,369</u>	<u>\$ 181</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Construction contracts payable	\$ 138,536	\$ -
Retainage payable	<u>20,833</u>	<u>-</u>
Total liabilities	<u>159,369</u>	<u>-</u>
Fund balances:		
Restricted - Public works	<u>-</u>	<u>181</u>
Total liabilities and fund balances	<u>\$ 159,369</u>	<u>\$ 181</u>

VILLAGE OF PLAUCHEVILLE, LOUISIANA

LCDBG - Program Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Year Ended December 31, 2020

	Project <u>#449757</u>	Project <u>#230115</u>
Revenues:		
LCDBG Program	\$ 423,214	\$ 2,888
Expenditures:		
Current -		
Administration Services	-	2,888
Acquisition Services	6,551	-
Project Construction	<u>416,663</u>	<u>-</u>
Total expenditures	<u>423,214</u>	<u>2,888</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>
Fund balances, beginning	<u>-</u>	<u>181</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ 181</u>

**INTERNAL CONTROL,  
COMPLIANCE AND  
OTHER MATTERS**

# KOLDER, SLAVEN & COMPANY, LLC

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## INDEPENDENT AUDITOR'S 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 Terryl St. Romain, Mayor  
and Members of the Board of Aldermen  
Village of Plaquemine, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Plaquemine, Louisiana as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Village of Plaquemine's basic financial statements and have issued our report thereon dated April 15, 2021.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village of Plaquemine's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Plaquemine's internal control. Accordingly, we do not express an opinion of the effectiveness of the Village of Plaquemine'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 Village of Plaquemine'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 have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as items 2020-001 through 2020-003 that we consider to be material weaknesses.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village of Plaquemine'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Village of Plaquemine, Louisiana's Response to Findings**

The Village of Plaquemine's response to the findings identified in our audit is described in the accompanying schedule of current and prior year audit findings and management's corrective action plan. The Village of Plaquemine's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this report**

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

***Kolder, Slaven & Company, LLC***  
Certified Public Accountants

Alexandria, Louisiana  
April 15, 2021

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Schedule of Current and Prior Year Audit Findings  
and Management's Corrective Action Plan  
Year Ended December 31, 2020

Part I: Current Year Findings and Management's Corrective Action Plan

A. Internal Control Over Financial Reporting

2020-001 Application of Generally Accepted Accounting Principles (GAAP)

Fiscal year finding initially occurred: Unknown.

CONDITION: Management and staff lack the expertise and/or experience in the selection and application of generally accepted accounting principles, as applicable to governmental entities in the financial statement preparation process.

CRITERIA: The Village's internal control over financial reporting includes policies and procedures that pertain to its ability to record, process, summarize, and report financial data consistent with the assertions embodied in the financial statements, including the ability of management and staff to detect potential misstatements that may exist in the financial statements and related disclosures.

CAUSE: The cause of the condition results from a reliance on the external auditor as part of the internal control process.

EFFECT: Financial statements and related supporting transactions may reflect a material departure from generally accepted accounting principles.

RECOMMENDATION: Management should evaluate the additional costs required to achieve the desired benefit and determine if it is economically feasible in relation to the benefit received.

MANAGEMENT'S CORRECTIVE ACTION PLAN: We evaluated the cost vs. benefit of establishing enhanced internal controls over financial reporting and determined that it would not be cost effective to enhance these controls. Currently, our financial staff receives annual training related to their job duties and we carefully review the financial statements, related notes, and all proposed adjustments. All questions are adequately addressed by our auditors which allows us to appropriately supervise these functions. We feel we have taken appropriate steps to reduce the financial statement risk caused by this finding.



VILLAGE OF PLAUCHEVILLE, LOUISIANA

Schedule of Current and Prior Year Audit Findings  
And Management's Corrective Action Plan  
Year Ended December 31, 2020

2020-002 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown.

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

CRITERIA: AU-C §315.04, *Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement*, defines internal control as follows:

“Internal control is a process, affected by those charged with governance, management, and other personnel, designed to provide reasonable assurance about the achievement of objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.”

CAUSE: The cause of the condition is the fact that Village does not have a sufficient number of staff performing administrative and financial duties so as to provide adequate segregation of accounting and financial duties.

EFFECT: Failure to adequately segregate accounting and financial functions increases the risk that errors and/or irregularities including fraud and/or defalcations may occur and not be prevented and/or detected.

RECOMMENDATION: Management should reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recordkeeping; and (4) reconciliation.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Village concurs with the audit finding. Due to the size of staffing, the achievement of adequate segregation of duties is desirable, but cost prohibitive. All efforts are made to segregate duties where feasible. In an effort to establish more sound controls the Board of Aldermen monitors activity and account balances in all funds.

2020-003 Utility Accounts Receivable and Customer Deposits Subsidiary Ledger

Fiscal year finding initially occurred: 2018

CONDITION: The Village is not reconciling the subsidiary ledgers for utility accounts receivables and customer deposits to the meter cash account balances and general ledger accounts on a regular basis.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Schedule of Current and Prior Year Audit Findings  
And Management's Corrective Action Plan  
Year Ended December 31, 2020

CRITERIA: Internal controls should be in place to reconcile the subsidiary ledgers for utility accounts receivable and customer deposits to the general ledger and cash account to ensure all activity is properly recorded.

CAUSE: The cause of the condition is the fact that the Village is not reconciling the accounts receivables and customer deposit subsidiary ledgers to the general ledgers on a monthly basis.

EFFECT: Failure to reconcile these subsidiary ledgers could result in cash missing and customers not receiving proper credit on billings and their deposits.

RECOMMENDATION: The accounts receivable and customer deposit subsidiary ledgers should be reconciled to the cash account and general ledger on a monthly basis.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Village administration will review procedures related to the collection and recording of utility receivables and deposits to ensure procedures are in place to reconcile subsidiary ledgers on monthly basis.

B. Compliance and Other Matters

There are no compliance findings to be reported.

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

2019-001 Application of Generally Accepted Accounting Principles (GAAP)

Fiscal year finding initially occurred: Unknown.

CONDITION: The Village of Plaquemine does not have adequate internal controls over recording the entity's financial transactions or preparing its financial statements, including the related notes in accordance with generally accepted accounting principles (GAAP).

RECOMMENDATION: Management should evaluate the additional costs required to achieve the desired benefit and determine if it is economically feasible in relation to the benefit received.

CURRENT STATUS: Unresolved. See item 2020-001.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Schedule of Current and Prior Year Audit Findings  
And Management's Corrective Action Plan  
Year Ended December 31, 2020

2019-002 Inadequate Segregation of Functions

Fiscal year finding initially occurred: Unknown.

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

RECOMMENDATION: Management should reassign incompatible duties among different employees to ensure that a single employee does not have control of more than one of the following responsibilities: (1) authorization; (2) custody; (3) recordkeeping; and (4) reconciliation.

CURRENT STATUS: Unresolved. See item 2020-002.

2019-003 Utility Accounts Receivable and Customer Deposits Subsidiary Ledger

Fiscal year finding initially occurred: 2018

CONDITION: The Village is not maintaining an accurate subsidiary ledger for utility accounts receivables and customer deposits, and the subsidiary ledgers are not being reconciled to the meter cash account balances and general ledger accounts.

RECOMMENDATION: The Village should periodically compare actual activity to budgeted amounts and adopt budgetary amendments as necessary to cause compliance with state statute.

CURRENT STATUS: Unresolved. See item 2020-003.

B. Compliance and Other Matters

2019-004 Water Revenue Bonds Compliance – Depreciation/Contingency Requirements

Fiscal year finding initially occurred: 2019

CONDITION: The Village did not make the required payments into the Depreciation/Contingency Fund on a monthly basis as required by the Water Revenue Bonds, Series 2016 agreement.

RECOMMENDATION: The Village should monitor all required debt service payments to ensure compliance with debt covenants.

CURRENT STATUS: Resolved.