

VILLAGE OF GRAND CANE, LOUISIANA

ANNUAL FINANCIAL STATEMENTS

For the Year Ended June 30, 2025

VILLAGE OF GRAND CANE, LOUISIANA

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INDEPENDENT AUDITOR'S REPORT

The Honorable Marsha Richardson, Mayor
and the Members of the Village Council
of the Village of Grand Cane, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major funds of the Village of Grand Cane, Louisiana (the Village), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major funds of the Village as of June 30, 2025, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the information listed in the table of contents as Required Supplementary Information Part I and Part II be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consists 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The information, listed in the table of contents as Supplementary Information, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2025, on our consideration of the Village'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'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's internal control over financial reporting and compliance.

Dees Gardner, Certified Public Accountants, LLC

Mansfield, Louisiana.
December 31, 2025

REQUIRED SUPPLEMENTARY INFORMATION (PART I)

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

June 30, 2025

As management of the Village of Grand Cane, Louisiana, we offer the readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village of Grand Cane as of and for the year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with the Village's basic financial statements and supplementary information provided in this report in assessing the efficiency and effectiveness of our stewardship of public resources.

Financial Highlights

The Village experienced an increase in its total net position of 18.74% (\$371,410) during the fiscal year ended June 30, 2025, compared to an increase of 8.78% (\$159,976) in the prior year. At June 30, 2025, the assets of the Village exceeded its liabilities by \$1,982,272 compared to prior year's ending net position of \$1,822,296.

Unrestricted net position of \$879,078 (37.35% of total net position) represents the amount available to be used to meet the Village's ongoing obligations to its citizens.

As of the close of the fiscal year, the Village's governmental funds reported an increase in ending fund balance of \$117,785 (18.63%) to \$750,594 from \$632,719 in the prior year.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Government-wide Activities Financial Analysis

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Village's combined net position (governmental and business-type activities) totaled \$2,353,682 and \$1,982,272 as of June 30, 2025, and 2024, respectively, an increase of \$371,410 (18.74%).

A portion of the Village's net position \$1,474,604 (62.65%) is its investment in capital assets (e.g. land, buildings, improvements, infrastructure, and equipment); less any related debt used to acquire those assets that is still outstanding. This is compared to \$1,321,569 (66.67%) as of June 30, 2024. The Village uses these capital assets to provide services to the citizens of the Village; consequently, these assets are not available for future spending.

The Village's unrestricted net position, \$879,078 (37.35%) and \$660,703 (33.33%) as of June 30, 2025 and 2024, respectively, may be used to meet the Village's ongoing obligations to citizens and creditors at the discretion of the mayor and aldermen. \$876,009 (99.65%) of the unrestricted net position of the Village consists of cash, demand deposits, and certificates of deposit compared to \$649,250 (98.27%) for the prior year.

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

ASSETS	June 30, 2025	June 30, 2024	% Change
Cash and cash equivalents	\$ 864,359	\$ 639,150	35.24%
Receivables	29,505	28,358	4.04%
Restricted cash and cash equivalents	11,650	10,100	15.35%
Capital assets	1,474,604	1,321,569	11.58%
TOTAL ASSETS	2,380,118	1,999,178	19.05%
LIABILITIES			
Accounts payable	14,786	6,805	117.28%
Payable from restricted assets	11,650	10,100	15.35%
TOTAL LIABILITIES	26,436	16,905	56.38%
NET POSITION			
Net investment in capital assets	1,474,604	1,321,569	11.58%
Unrestricted	879,078	660,703	33.05%
TOTAL NET POSITION	\$ 2,353,682	\$ 1,982,272	18.74%

Changes in net position

The Village’s net position increased by \$371,410 (18.74%) during the year ended June 30, 2025, compared to an increase of \$159,976 (8.78%) in 2024. Total program revenues increased a total of \$48,642 (23.55%). General revenues increased by \$242,098 due to an increase in sale taxes.

\$105,180 (14.22%) of the Village's total revenues were derived through charges for services during the year ended June 30, 2025 compared to \$103,538 (23.07%) for the prior year. \$150,000 (20.28%) of the Village's total revenues were derived through operating and capital grants and contributions during the year ended June 30, 2025, compared to \$103,000 (22.95%) for the prior year.

\$485,198 (65.61%) of total revenue was derived from general revenues including ad valorem taxes, sales taxes, franchise taxes, occupational license, rent, and interest compared to \$242,220 (53.98%) during 2024.

The net effect is an increase in revenue of \$290,740 or 64.79%.

Total expenses increased \$79,306 or 27.46%. The expenses were: streets and rights-of-way, \$59,539 (16.18%); general government \$93,392 (25.37%); culture and recreation, \$117,074 (31.81%); and sewer operations, \$98,083 (26.65%).

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

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>% Change</u>
Revenue			
Program revenues:			
Charges for services	\$ 105,180	\$ 103,538	1.59%
Operating grants and contributions	-	-	-
Capital grants and contributions	150,000	103,000	45.63%
General revenues:			
Taxes	458,673	201,701	127.40%
Licenses	25,673	33,728	-23.88%
Other general revenues		6,058	-100.00%
Interest	852	733	16.23%
Loss on disposal of assets	(880)	-	-
Total revenues	<u>739,498</u>	<u>448,758</u>	<u>64.79%</u>
Expenses			
General government	93,392	74,282	25.73%
Street and right of ways	59,539	78,542	-24.19%
Culture and recreation	117,074	71,792	63.07%
Sewer	<u>98,083</u>	<u>64,166</u>	<u>52.86%</u>
Total expenses	368,088	288,782	27.46%
Increase (decrease) in net position	371,410	159,976	132.17%
Net position June 30, 2022	<u>1,982,272</u>	<u>1,822,296</u>	<u>8.78%</u>
Net position June 30, 2023	<u>\$ 2,353,682</u>	<u>\$ 1,982,272</u>	<u>18.74%</u>

Governmental Funds Financial Analysis

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

As of June 30, 2025, the General Fund's unassigned fund balance (\$184,166) increased \$8,683 (4.95%) in comparison with June 30, 2024. Sales tax (1%) is collected in the General Fund is utilized fifty percent for upkeep and maintenance of streets and fifty percent for general Village needs. In November 2023, voters approved a 0.25% sales tax for use in the Sewer Fund. Sales tax revenue increased \$256,145 from 2024; and, the amount committed to streets increased from \$69,024 for the year ended June 30, 2024, to \$164,995 for the year ended June 30, 2025.

General Fund Budgetary Highlights

Formal budgetary integration is employed as a management control device during the fiscal year. The budget policy of the Village complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA – R.S. 39:1301 et seq.). The Village amended the original budget during the year. The Village was in compliance with the Budget Act. For the General Fund, expenses were less than what was budgeted, and revenues were more than

budgeted amounts by \$37,625 (7.83%). For the Special Revenue Fund, no expenses were budgeted and an immaterial amount of \$11 incurred. Actual revenues were more than budgeted amounts.

Capital Asset and Debt Administration

Capital assets The Village of Grand Cane’s investment in capital assets for its governmental activities as of June 30, 2025, totaled \$1,361,693 (net of accumulated depreciation of \$748,922). This investment includes land, buildings, furniture, equipment and infrastructure. The purchase of capital assets for the year was \$225,186. This was for completion of the splash pad at the park, floors for the Cowdin building, doors for the Wilson building, and an air conditioning unit for the Community. There were no investments in capital assets for the business-type activities for the year ended June 30, 2025.

Long-term debt The Village of Grand Cane has no outstanding debt at June 30, 2025.

Economic Factors and Next Year’s Budget

For the fiscal year ending June 30, 2026, the following factors were considered when the budget was prepared:

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

Requests for Information

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

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

VILLAGE OF GRAND CANE, LOUISIANA

STATEMENT OF NET POSITION

June 30, 2025

ASSETS	Governmental Activities	Business-Type Activities	Total
Cash and cash equivalents	\$ 725,359	\$ 139,001	\$ 864,360
Receivables	19,935	9,570	29,505
Internal balances	11,688	(11,688)	-
Restricted cash and cash equivalents	-	11,650	11,650
Capital assets (net)	1,361,693	112,911	1,474,604
TOTAL ASSETS	2,118,675	261,444	2,380,119
LIABILITIES			
Accounts, payroll, and other payables	6,388	8,398	14,786
Payable from restricted assets	-	11,650	11,650
TOTAL LIABILITIES	6,388	20,048	26,436
NET POSITION			
Net investment in capital assets	1,361,693	112,911	1,474,604
Unrestricted	750,594	128,485	879,079
TOTAL NET POSITION	\$ 2,112,287	\$ 241,396	\$ 2,353,683

The accompanying notes are an integral part of this financial statement.
See the accompanying independent auditors report.

FUND FINANCIAL STATEMENTS

VILLAGE OF GRAND CANE, LOUISIANA
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2025

ASSETS	Major Funds		Total
	General Fund	Special Revenue Fund	
Cash and cash equivalents	\$ 708,767	\$ 16,592	\$ 725,359
Receivables	13,749	6,186	19,935
Due from other funds	11,688	3,957	15,645
TOTAL ASSETS	\$ 734,204	\$ 26,735	\$ 760,939
 LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts, payroll, and other payables	\$ 6,388	\$ -	\$ 6,388
Due to other funds	3,957	-	3,957
Total Liabilities	10,345	-	10,345
Fund Balances:			
Committed			
Streets	539,693	-	539,693
Assigned			
Sewer or streets	-	26,735	26,735
Unassigned, reported in:			
General fund	184,166	-	184,166
Total Fund Balance	723,859	26,735	750,594
TOTAL LIABILITIES AND FUND BALANCE	\$ 734,204	\$ 26,735	\$ 760,939

The accompanying notes are an integral part of this financial statement.
See the accompanying independent auditors report.

VILLAGE OF GRAND CANE, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
June 30, 2025

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

Fund Balance, Total Governmental Funds, Statement C	\$ 750,594
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the government funds	<u>1,361,693</u>
Net Position of Governmental Activities, Statement A	<u>\$ 2,112,287</u>

VILLAGE OF GRAND CANE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2025

	Major Funds		Total
	General Fund	Special Revenue Fund	
Revenues:			
Taxes			
Ad valorem taxes	\$ 9,415	\$ 16,511	\$ 25,926
Sales taxes	329,991	-	329,991
Franchise taxes	14,498	-	14,498
Grants and contributions			
State Grant	100,000	-	100,000
Licenses and permits	25,673	-	25,673
Charges for services	37,487	-	37,487
Interest	821	31	852
	<u>517,885</u>	<u>16,542</u>	<u>534,427</u>
Total Revenues			
	<u>517,885</u>	<u>16,542</u>	<u>534,427</u>
Expenditures:			
Current			
General government	88,142	11	88,153
Public works			
Streets and right of ways	56,434	-	56,434
Culture and recreation	30,878	-	30,878
Capital outlays	225,187	-	225,187
	<u>400,641</u>	<u>11</u>	<u>400,652</u>
Total Expenditures			
	<u>400,641</u>	<u>11</u>	<u>400,652</u>
Excess (Deficiency) of Revenues over Expenditures	<u>117,244</u>	<u>16,531</u>	<u>133,775</u>
Other Financing Sources (Uses):			
Transfers in (out)	<u>-</u>	<u>(15,900)</u>	<u>(15,900)</u>
Net change in Fund Balances	117,244	631	117,875
Fund balances, beginning of year	606,615	26,104	632,719
Fund balances, end of year	<u>\$ 723,859</u>	<u>\$ 26,735</u>	<u>\$ 750,594</u>

The accompanying notes are an integral part of this financial statement.
See the accompanying independent auditors report.

VILLAGE OF GRAND CANE, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

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

Net Change in Fund Balances, Total Governmental Funds, Statement E	\$ 117,875
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$225,187) exceeds the depreciation (\$94,539) in the current period.	130,648
Loss on disposition of assets	(880)
Change in Net Position of Governmental Activities, Statement B	\$ 247,643

The accompanying notes are an integral part of this financial statement.
See the accompanying independent auditors report.

PROPRIETARY FUND

VILLAGE OF GRAND CANE, LOUISIANA

STATEMENT OF NET POSITION
PROPRIETARY FUND

June 30, 2025

	ASSETS	Business-Type Activity - Sewer
Current assets:		
Cash and cash equivalents		\$ 139,001
Receivables		9,570
Total current assets		<u>148,571</u>
Non-current assets:		
Capital assets, net of accumulated depreciation		112,911
Restricted cash and cash equivalents		11,650
Total non-current assets		<u>112,911</u>
TOTAL ASSETS		<u>273,132</u>
	LIABILITIES	
Current liabilities:		
Accounts, payroll, and other payables		8,398
Due to other funds		11,688
Total current liabilities		<u>20,086</u>
Payable from restricted assets:		
Meter deposits		<u>11,650</u>
TOTAL LIABILITIES		<u>31,736</u>
	NET POSITION	
Net investment in capital assets		112,911
Unrestricted		<u>128,485</u>
TOTAL NET POSITION		<u>\$ 241,396</u>

The accompanying notes are an integral part of this financial statement.
See the accompanying independent auditors report.

VILLAGE OF GRAND CANE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
For the Year Ended June 30, 2025

	Sewer Fund
Operating Revenues	
Charges for services	
Sewer service fees	\$ 67,693
	67,693
Total Operating Revenues	67,693
Operating Expenses	
Cost of sales and services	76,259
Administration	12,228
Depreciation	9,596
	98,083
Total Operating Expenses	98,083
Operating Loss	(30,390)
Nonoperating Revenues (Expenses)	
Ad valorem taxes	8,080
Sales tax	80,178
Rural development grant	50,000
Transfer from Special Revenue Fund	15,900
	154,158
Total Nonoperating Revenues (Expenses)	154,158
Income (Loss) Before Transfers	123,768
Change in Net Position	123,768
Total Net Position, beginning of year	117,628
Total Net Position, end of year	\$ 241,396

The accompanying notes are an integral part of this financial statement.
See the accompanying independent auditors report.

VILLAGE OF GRAND CANE, LOUISIANA

STATEMENT OF CASH FLOWS PROPRIETARY FUND - Sewer For the Year Ended June 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 69,767
Cash payments to suppliers for goods and services	(54,253)
Cash payments to employees for services	(25,836)
Net cash provided by operating activities	<u>(10,322)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Ad valorem taxes collected	8,065
State operating grant revenue	50,000
Sales tax collected	79,820
Transfer in from general fund and special revenue fund	15,900
Payment on general fund advance	963
Net cash provided by non capital financing activities	<u>154,748</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	<u>(32,865)</u>
Net cash provided by investing activities	<u>(32,865)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	111,561
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>39,090</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 150,651</u></u>
Reconciliation of total cash and cash equivalents:	
Current Assets - Cash and cash equivalents	\$ 139,001
Restricted cash and cash equivalents	11,650
	<u>\$ 150,651</u>
Reconciliation of operating loss to net cash provided by operating activities:	
Operating income	\$ (30,390)
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	9,596
(Increase) decrease in accounts receivable	524
Increase (decrease) in accounts payable	8,398
Increase (decrease) in customer deposits	1,550
Total adjustments	<u>20,068</u>
Net cash (used)/provided by operating activities	<u><u>\$ (10,322)</u></u>

The accompanying notes are an integral part of this financial statement.
See the accompanying independent auditors report.

NOTES TO THE FINANCIAL STATEMENTS

VILLAGE OF GRAND CANE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2025

INTRODUCTION

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

B. Basis of Presentation

The Village of Grand Cane's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Such accounting and reporting policies also conform to the requirements of Louisiana Revised Statute 24:513 and to the guidance set forth in the *Louisiana Governmental Audit Guide*.

C. Fund Accounting

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

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

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

VILLAGE OF GRAND CANE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Fund Accounting (continued)

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

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

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

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

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

VILLAGE OF GRAND CANE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Measurement Focus and Basis of Accounting (continued)

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

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

Proprietary Fund Financial Statements

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

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

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

E. Cash and Cash Equivalents and Investments

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

F. Receivables

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

VILLAGE OF GRAND CANE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond June 30, 2025, are recorded as prepaid expenses. The Village had no prepaids at year end.

H. Capital Assets

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

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

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

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

I. Fund Equity

NET POSITION

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

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

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

FUND BALANCES

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

VILLAGE OF GRAND CANE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Fund Equity (continued)

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

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

J. Interfund Transactions and Balances

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

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

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 statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

L. Risk Management

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

VILLAGE OF GRAND CANE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2025

2. LEVIED TAXES

Ad valorem Taxes

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

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

The difference between authorized and levied millages is the result of reassessments of taxable property within the parish as required by Louisiana Constitution Article VII, Section 18(F). This revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2024. Total assessed value was \$1,730,617 for fiscal year ended June 30, 2025.

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

Total ad valorem taxes levied were \$33,505 and ad valorem taxes receivable at June 30, 2025, are \$10,553. The following are the principal taxpayers for the Village and their 2025 assessed valuation:

TAXPAYER	ASSESSED VALUATION	% OF TOTAL ASSESSED VALUATION	AD VALOREM TAX REVENUE FOR VILLAGE
Cleco Power LLC	\$ 229,726	13.08%	\$ 4,448
Progressive National Bank	136,128	7.75%	2,635
Dollar General	76,379	4.35%	1,479
Stice-Hill Holding, LC	76,150	4.34%	1,476
Cable One	64,874	3.69%	1,255
Miciotto, Linda Christine	39,921	2.27%	772
Cook, WM. H	37,521	2.14%	728
Jones, John David	37,105	2.11%	718
McKinney, Randall David	36,045	2.05%	697
Headrick, Rodney	28,046	1.60%	544
Total	\$ 761,895	43.38%	\$ 14,752

Sales Taxes:

A one percent sales and use tax was levied in the Village for the General Fund beginning in January 1997, with no expiration date. Initially, the proceeds from this tax were restricted to constructing, improving, and maintaining public roads, streets, and bridges in the Village. However, on October 12, 2019, voters approved a continuation of this tax, which also amended its use. Following the vote, fifty percent of the proceeds can now be used for any lawful purpose. Additionally, an extra 0.25% sales and use tax was introduced starting in January 2024, also with no expiration date. This new tax is designated specifically for constructing, improving, maintaining, and operating the Village's sewerage system, including the acquisition of equipment and improvements for this purpose.

Sales tax collections for the year ended June 30, 2025, reported as follows:

General Fund	\$ 329,991
Sewer Fund	80,178
	\$ 410,169

VILLAGE OF GRAND CANE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2025

3. CASH AND CASH EQUIVALENTS

At June 30, 2025, the Village has cash and cash equivalents (book balances) in deposits totaling \$876,009 (unrestricted \$864,359, restricted \$11,650), with \$322,153 in demand deposits, \$553,756 in interest-bearing demand deposits, and \$100 in cash. These deposits are stated at cost, which approximates fair value.

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

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

At June 30, 2024, the Village has collected bank balances of deposits totaling \$885,152. These deposits are partially secured from risk by \$250,000 of federal deposit insurance and by pledged securities held by the custodial bank in the name of the Village (GASB Category 2) with a market value of \$627,532. \$7,620 was not secured by pledged securities and federal deposit insurance at June 30, 2025.

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

4. RECEIVABLES

The following is a summary of receivables at June 30, 2025:

	General	Special Revenue	Sewer	Total
Sales and use tax	\$ 12,168	\$ -	\$ 3,042	\$ 15,210
Ad valorem tax	1,581	6,186	2,786	10,553
Sewer fees, net	-	-	3,742	3,742
	<u>\$ 13,749</u>	<u>\$ 6,186</u>	<u>\$ 9,570</u>	<u>\$ 29,505</u>

Substantially all receivables are considered to be fully collectible, however, the Village records receivables greater than 180 days to be bad debt. As of June 30, 2025, the Village has recorded an allowance for bad debt of \$3,460 for sewer fees.

VILLAGE OF GRAND CANE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2025

5. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2025, for the primary government is as follows:

Governmental Activities:	Balance June 30, 2024	Increases	Reclassifications/ Decreases	Balance June 30, 2025
Capital assets, being depreciated				
Buildings & improvements	\$ 1,506,711	\$ 15,903	\$ -	\$ 1,522,614
Equipment				
General	12,344	15,284	(4,800)	22,828
Public Works	45,351	-	-	45,351
Historical district & recreation	131,738	194,000	-	325,738
Streets	194,085	-	-	194,085
Total capital assets, being depreciated	<u>\$ 1,890,229</u>	<u>\$ 225,187</u>	<u>\$ (4,800)</u>	<u>\$ 2,110,616</u>
Less accumulated depreciation for				
Buildings & improvements	\$ 417,871	\$ 52,073	\$ -	\$ 469,944
Equipment				
General	10,539	2,937	(3,920)	9,556
Public Works	29,921	-	-	29,921
Historical district & recreation	27,328	37,591	-	64,919
Streets	172,645	1,938	-	174,583
Total accumulated depreciation	<u>658,304</u>	<u>94,539</u>	<u>(3,920)</u>	<u>748,923</u>
Total Capital assets being depreciated net	<u>\$ 1,231,925</u>	<u>\$ 130,648</u>	<u>\$ (880)</u>	<u>\$ 1,361,693</u>

Depreciation expense of \$94,539 reported in governmental activities for the year ended June 30, 2025, was charged to the following governmental functions:

General government	\$ 5,237
Public works: Streets and right of ways	3,105
Cultural and recreation	86,197
	<u>\$ 94,539</u>

Business type Activity:	Balance June 30, 2024	Increases	Reclassifications/ Decreases	Balance June 30, 2025
Capital assets being depreciated				
Sewer System	\$ 502,064	\$ -	\$ -	\$ 502,064
Equipment	11,229	-	(7,000)	4,229
Sewer betterments	179,799	32,864	-	212,663
Total capital assets being depreciated	<u>\$ 693,092</u>	<u>\$ 32,864</u>	<u>\$ (7,000)</u>	<u>\$ 718,956</u>
Less accumulated depreciation for				
Sewer System	502,064	-	-	502,064
Equipment	7,141	846	(7,000)	987
Sewer betterments	94,244	8,750	-	102,994
Total accumulated depreciation	<u>603,449</u>	<u>9,596</u>	<u>(7,000)</u>	<u>606,045</u>
Total Capital assets being depreciated net	<u>\$ 89,643</u>	<u>\$ 23,268</u>	<u>\$ -</u>	<u>\$ 112,911</u>

VILLAGE OF GRAND CANE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2025

6. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composite of interfund receivable/payable as of June 30, 2025, was:

	<u>General</u>	<u>Special Revenue</u>	<u>Sewer</u>	<u>Total</u>
Due to	\$ 11,688	\$ 3,957	\$ -	\$ 15,645
Due from	<u>(3,957)</u>	<u>-</u>	<u>(11,688)</u>	<u>(15,645)</u>
	<u>\$ 7,731</u>	<u>\$ 3,957</u>	<u>\$ (11,688)</u>	<u>\$ -</u>

7. ACCOUNTS, SALARIES, AND OTHER PAYABLES

The following is a summary of payables at June 30, 2025:

	<u>General</u>	<u>Special Revenue</u>	<u>Sewer</u>	<u>Total</u>
Trade payables	\$ 4,439	\$ -	\$ 8,398	\$ 12,837
Accrued payroll taxes	1,949	-	-	1,949
Sewer deposits	-	-	11,650	11,650
Total	<u>\$ 6,388</u>	<u>\$ -</u>	<u>\$ 20,048</u>	<u>\$ 26,436</u>

8. COMMITTED FUND BALANCE

As of June 30, 2025, the net fund balance committed for streets was as follows:

Beginning reserve June 30, 2024	\$ 431,132
Sales tax revenue	164,995
Less street expenses	<u>(56,434)</u>
Net reserve for streets, June 30, 2025	<u>\$ 539,693</u>

9. PENSION PLAN

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

10. LEASE AGREEMENTS

The Village rents downtown historical buildings for an average of approximately \$2,970 revenue a month during the year ended June 30, 2025.

Under GASB 87, the Village recognizes all leases over one year in term as a lease receivable and a deferred inflow of resources. The lease receivable is measured at the present value of lease payments expected to be received during the lease term. The deferred inflow of resources is measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods. Lease revenue is recognized from the deferred inflow of resources in a systematic and rational manner over the term of the lease. As of November 1, 2023, the Village changed policies and no longer gives leases over one year.

VILLAGE OF GRAND CANE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2025

10. LEASE AGREEMENTS (continued)

The changes in lease receivable and deferred inflows for June 30, 2025, are as follows:

		Lease Receivable		Deferred Inflows
Beginning balances	\$	1,680	\$	1,613
Principal received		-		
Income recognized		(1,680)		(1,613)
Ending balances	\$	-	\$	-

11. RELATED PARTY TRANSACTIONS

Procedures, observations, and inquiries did not disclose any material related party transactions for the fiscal year ended June 30, 2025.

12. SUBSEQUENT EVENT

Management has performed an evaluation of the Village of Grand Cane's activities through December 31, 2025, and has concluded that there are no significant events requiring recognition or disclosure through that date and time these financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION (PART II)

VILLAGE OF GRAND CANE, LOUISIANA

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Taxes				
Ad valorem taxes	\$ 9,000	\$ 9,000	\$ 9,415	\$ 415
Sales taxes	140,000	200,000	329,991	129,991
Franchise taxes	13,500	13,500	14,498	998
State Grant	100,000	202,000	100,000	(102,000)
Licenses and permits	20,500	20,500	25,673	5,173
Charges for services	34,550	34,610	37,487	2,877
Oil and gas royalties	900	-	-	-
Interest	400	650	821	171
Total Revenues	<u>318,850</u>	<u>480,260</u>	<u>517,885</u>	<u>37,625</u>
Expenditures:				
Current				
General government	63,065	290,536	88,142	202,394
Public works				
Streets and right of ways	50,460	154,805	56,434	98,371
Culture and recreation	28,000	55,500	30,878	24,622
Capital outlays	-	2,530	225,187	(222,657)
Total Expenditures	<u>141,525</u>	<u>503,371</u>	<u>400,641</u>	<u>102,730</u>
Excess (Deficiency) of Revenues over Expenditures/ Net change in Fund Balances	<u>177,325</u>	<u>(23,111)</u>	<u>117,244</u>	\$ <u>140,355</u>
Fund balance, beginning of year	<u>606,615</u>	<u>606,615</u>	<u>606,615</u>	
Fund balance, end of year	\$ <u><u>783,940</u></u>	\$ <u><u>583,504</u></u>	\$ <u><u>723,859</u></u>	

The accompanying notes are an integral part of this financial statement.
See the accompanying independent auditors report.

VILLAGE OF GRAND CANE, LOUISIANA

BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND

For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Taxes:				
Ad valorem taxes	\$ 16,000	\$ 16,000	\$ 16,511	\$ 511
Interest income	-	-	31	31
Total Revenues	<u>16,000</u>	<u>16,000</u>	<u>16,542</u>	<u>542</u>
Expenditures:				
Total Expenditures	<u>-</u>	<u>-</u>	<u>11</u>	<u>11</u>
Excess (Deficiency) of Revenues over Expenditures	<u>16,000</u>	<u>16,000</u>	<u>16,531</u>	<u>531</u>
Other Financing Uses:				
Operating transfers out	<u>(16,000)</u>	<u>(16,000)</u>	<u>(15,900)</u>	<u>100</u>
Net Change in Fund Balances	-	-	631	\$ <u>631</u>
Fund balance, beginning of year	<u>26,104</u>	<u>26,104</u>	<u>26,104</u>	
Fund balance, end of year	<u>\$ 26,104</u>	<u>\$ 26,104</u>	<u>\$ 26,735</u>	

The accompanying notes are an integral part of this financial statement.
See the accompanying independent auditors report.

VILLAGE OF GRAND CANE, LOUISIANA

NOTES TO BUDGETARY COMPARISON SCHEDULES

As of and for the Year Ended June 30, 2025

Budgetary Information

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

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

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

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

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

In the General Fund, actual revenues were more than budgeted revenues. Actual expenditures were less than budgeted expenditures. The budget was amended during the year ended June 30, 2025. The Village is in compliance with the Louisiana Local Government Budget Act.

SUPPLEMENTARY INFORMATION

VILLAGE OF GRAND CANE, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEADS OR CHIEF EXECUTIVE OFFICER
 For the Year Ended June 30, 2025

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

The accompanying notes are an integral part of this financial statement.
 See the accompanying independent auditors report.

OTHER REPORTS REQUIREMENT BY
GOVERNMENT AUDITING STANDARDS



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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 Marsha Richardson, Mayor
and the Members of the Village Council
of the Village of Grand Cane, 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 and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities, the business-type activities, and the major fund of the Village of Grand Cane, Louisiana (the Village) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated December 31, 2025.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2025-01 and 2025-02 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which have been described in the accompanying schedule of findings and responses as items 2025-02, 2025-03, 2025-04, and 2025-05 .

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 Village's internal control or on compliance. This report is an integral part of any 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.

This report is intended solely for the information and use of the Village's management and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited. Under Louisiana Revised Statute 21:513 this report is a public document.

Dees Gardner, Certified Public Accountants, LLC

Mansfield, Louisiana
December 31, 2025

VILLAGE OF GRAND CANE, LOUISIANA
 Schedule of Findings and Responses
 For the Year ended June 30, 2025

SUMMARY OF AUDITOR’S REPORTS

INDEPENDENT AUDITOR’S REPORT:

We have audited the basic financial statements of Village of Grand Cane, Louisiana as of and for the year ended June 30, 2025, and have issued our report thereon dated December 31, 2025. 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 and the *Louisiana Governmental Audit Guide*. Our audit of the basic financial statements as of June 30, 2025, resulted in an unmodified opinion.

REPORT ON INTERNAL CONTROL AND COMPLIANCE MATERIAL AND OTHER MATTERS TO THE FINANCIAL STATEMENTS:

Internal Control

Significant Deficiency	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Material Weakness	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Compliance

Compliance Material to Financial Statements	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Other Matters	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

A management letter was not issued

FEDERAL AWARDS

Not applicable

Part II. Findings relating to the Financial Statements which are required to be reported under *Government Auditing Standards*.

FINDINGS RELATED TO INTERNAL CONTROL

2025-01 Lack of Adequate Segregation of Duties

Criteria -- According to Louisiana Legislative Auditor (LLA) internal control principles, government entities in Louisiana have a primary responsibility to safeguard public resources, which includes ensuring that incompatible duties, such as authorization, custody of assets, recordkeeping, and reconciliation, are separated to the extent staffing allows. The LLA identifies segregation of duties and the use of compensating oversight controls as key components of effective internal control systems. Further, under Louisiana audit law (R.S. 24:513 and related sections), internal control weaknesses identified during an audit must be reported, and agencies are required to maintain controls sufficient to safeguard assets and ensure compliance with applicable laws.

Finding -- The same individual is responsible for initiating transactions, recording them, and reconciling related accounts. This concentration of responsibilities increases the risk of errors or irregularities going undetected. The Louisiana Legislative Auditor identifies segregation of duties as a fundamental component of sound internal control and emphasizes separating conflicting duties whenever feasible.

Cause -- The entity has limited staff, resulting in one employee performing multiple incompatible financial functions. Although limited staffing is common in smaller Louisiana governmental units, the LLA's guidance stresses the importance of implementing compensating controls when segregation is not fully achievable.

Effect -- The lack of segregation of duties increases the risk of: misappropriation of assets, financial misstatement, unauthorized transactions, and errors that may not be detected in a timely manner. These risks could lead to noncompliance with Louisiana's audit expectations under R.S. 24:584 regarding maintaining appropriate internal controls to safeguard public funds.

Recommendation -- Management should review current staffing and implement the highest feasible level of segregation between authorization, custody, recordkeeping, and reconciliation. When staffing limitations make full segregation impractical, the entity should adopt LLA-recommended compensating controls, such as: elected official or supervisor review of daily/monthly financial reports, independent review of bank reconciliations, unannounced spot checks of transactions, periodic oversight of receipt and disbursement activity. These measures align with LLA guidance on mitigating segregation-of-duties risks for entities with small staff levels.

Management Response -- Management acknowledges the finding. Due to staffing limitations, complete segregation of duties is not currently feasible. The entity will implement enhanced compensating controls, including independent review of bank reconciliations and monthly financial reports, to reduce risk and comply with LLA internal control expectations.

2025-02 Lack of a Correct and Consistent Sewer Deposit List

Criteria -- Good internal control requires maintaining accurate and complete records for all utility customer deposits. Utility revenue processes should include: a centralized listing of all customer deposits, consistent, timely recording of all additions, adjustments, and refunds, periodic reconciliation of the listing to the general ledger and customer accounts, and accurate tracking of customer deposits is necessary to ensure proper accountability for funds held in trust and to protect public assets.

Finding -- During our review of sewer customer accounts, we noted that the entity does not maintain a **complete, accurate, and consistently updated sewer deposit list**. Several issues were identified, including missing deposit records for active customer accounts, incorrect deposit amounts recorded, deposits not removed or adjusted when customer accounts were closed, and no standardized process for updating or reconciling the list. As a result, the sewer deposit listing does not reliably reflect actual customer deposit balances.

Cause -- The entity does not have a formal procedure for entering, reviewing, or reconciling sewer deposit transactions. Updates to the deposit list are performed inconsistently, and no supervisory review or reconciliation process exists to ensure accuracy.

Effect -- The absence of a correct and consistent sewer deposit list creates the following risks: potential misstatement of customer deposit liabilities, refunds issued incorrectly or not issued when due, difficulty verifying deposits collected, which may result in undetected errors or irregularities, or financial reporting inaccuracies that affect both internal management decisions and external audit reporting.

Recommendation -- We recommend the entity: 1) establish a formal written procedure requiring staff to record all sewer deposit activity, including new deposits, transfers, adjustments, and refunds, in a timely and consistent manner; 2) maintain a centralized sewer deposit listing that includes customer name, address/account number, date of deposit, amount of deposit, and status (active/refunded); 3) reconcile the sewer deposit listing monthly to the general ledger and customer utility accounts; 4) implement management review of reconciliations to ensure accuracy and completeness, and 5) correct any discrepancies between the current deposit list and customer accounts.

Management Response -- Management acknowledges the finding. Staff will implement a standardized process for properly recording sewer deposit activity and will begin monthly reconciliations of the deposit list to the general ledger. Management will also conduct periodic reviews to ensure accuracy going forward.

FINDINGS RELATED TO COMPLIANCE

2025-03 Untimely Adoption of Annual Budget

Criteria -- Under the Louisiana Local Government Budget Act (R.S. 39:1309), all action necessary to adopt, finalize, and implement the budget for a fiscal year must be completed in an open meeting *before the end of the prior fiscal year*. Because the entity adopted its budget in July, after the beginning of the fiscal year, it did not comply with the required statutory deadline.

Finding -- The governing authority did not adopt its annual budget until July 2, after the start of the fiscal year. This delay resulted in the budget not being finalized or implemented within the timeframe required by Louisiana law.

Cause -- The delay appears to have resulted from inadequate planning and failure to adhere to the legally mandated budget calendar. Budget preparation and approval procedures were not scheduled or executed early enough to ensure adoption before the start of the fiscal year.

Effect -- Failure to adopt a budget timely exposes the entity to several risks: operating without an authorized spending plan; reduced fiscal oversight and weakened controls over financial management; increased likelihood of spending inappropriately or contrary to statutory requirements; potential legal noncompliance with the Local Government Budget Act.

Recommendation -- We recommend that management: 1) develop and adhere to a formal budget calendar that ensures the proposed budget is prepared, reviewed, and adopted before the end of the prior fiscal year, consistent with R.S. 39:1309; 2) schedule budget workshops and public hearings earlier to allow sufficient time for public inspection, governing authority review, and adoption; 3) implement internal controls requiring periodic monitoring of the budget process to ensure statutory deadlines are met.

Management Response -- Management acknowledges the finding. The governing authority will implement a formal budget calendar and procedures to ensure timely preparation and adoption of all future budgets in compliance with the Local Government Budget Act.

2025-04 Collateral on Deposits (Pledging)

Criteria -- Under state law, one hundred percent of all funds on deposit with depository financial institutions 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 meet or exceed the amount on deposit with the fiscal agent bank.

Finding -- The Village had funds not covered by federal depository insurance or pledged fiscal securities as required by law.

Cause -- Controls of the Village and the subject bank did not identify the lapse in pledging coverage.

Effect -- The Village is in violation of state law and the subject deposits were at risk of being lost during the pledging lapse.

Recommendation -- The Village should implement a procedure whereby collateral coverage is reviewed regularly.

Management response -- The Village will implement a procedure whereby collateral coverage is reviewed regularly.

2025-05 Late submission of report

Criteria – Louisiana state law requires that the Village have an annual audit performed and submitted to the Legislative Auditor within six (6) months after the close of the fiscal year.

Finding – For the year ended June 30, 2025, the Village did not submit the annual audit within six months after the close of their fiscal year.

Cause – During the procedures it was determined that the Village's revenue increased and required an audit instead of the review that had been approved in August of 2025. An engagement letter was submitted to the village but there was not enough time for the Mayor and Aldermen to approve and return it to the auditor before the Legislative Auditor's black out period for engagement approvals began.

Effect – The Village is not in compliance with state law.

Recommendation – The Village should insure that the audit engagements are submitted timely.

Management response – The Village will insure that the engagements are submitted timely.

VILLAGE OF GRAND CANE, LOUISIANA
Summary Schedule of Prior Year Findings
For the year ended June 30, 2025

2024-01 Lack of Adequate Segregation of Duties

Finding -- The same individual is responsible for initiating transactions, recording them, and reconciling related accounts. This concentration of responsibilities increases the risk of errors or irregularities going undetected. The Louisiana Legislative Auditor identifies segregation of duties as a fundamental component of sound internal control and emphasizes separating conflicting duties whenever feasible.

Status -- Condition unchanged as of June 30, 2025, see 2025-01.

2024-02 Lack of a Correct and Consistent Sewer Deposit List

Finding -- During our review of sewer customer accounts, we noted that the entity does not maintain a **complete, accurate, and consistently updated sewer deposit list**. Several issues were identified, including: missing deposit records for active customer accounts, incorrect deposit amounts recorded, deposits not removed or adjusted when customer accounts were closed, and no standardized process for updating or reconciling the list. As a result, the sewer deposit listing does not reliably reflect actual customer deposit balances.

Status -- Condition unchanged as of June 30, 2025, see 2025-02.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS



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Independent Accountant's Report On Applying Agreed-Upon Procedures

To Marsha Richardson, Mayor
Village of Grand Cane, Louisiana
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2024, through June 30, 2025. The Village of Grand Cane, Louisiana (the Village) management is responsible for those C/C areas identified in the SAUPs.

The Village has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2024, through June 30, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) **Written Policies and Procedures**

- A. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories:
- i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - ii. **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - iii. **Disbursements**, including processing, reviewing, and approving.
 - iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions.
 - v. **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
 - vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - vii. **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - viii. **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Written policies and procedures were obtained and no exceptions were noted for the policies for budgeting, disbursements, travel, and ethics. Policies for purchasing, receipts/collections, and sexual harassment partially meet requirements with a few exceptions. Policies for payroll & personnel, contracting, credit/debit/fuel/purchase cards, debt service, and IT disaster recovery/cybersecurity do not meet requirement and have exceptions.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.
 - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
 - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Board meeting minutes were obtained with only one exception noted. The minutes do not specifically reference or include monthly budget-to-actual comparisons.

3) Bank Reconciliations

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

A listing of client bank accounts from management and management's representation that the listing is complete were obtained. The main operating account and 4 additional accounts were selected for review.

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
- ii. Bank reconciliations include evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and.

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

No exceptions were noted as a result of these procedures.

4) Collections (excluding EFTs)

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

A listing of deposit sites for the fiscal period and management's representation that the listing is complete were obtained. The only deposit site of the entity was selected.

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

A listing of collection locations and management's representation that the listing is complete was obtained. A random collection location of the entity was selected.

- i. Employees that are responsible for cash collections do not share cash drawers/registers.
- ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
- iii. Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

The employee responsible for cash collections is also responsible for preparing bank reconciliations, posting entries to the general ledger, and reconciling cash collections.

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

No exceptions were noted as a result of this procedure.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3A under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:

- i. Observe that receipts are sequentially pre-numbered.
- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- iii. Trace the deposit slip total to the actual deposit per the bank statement.
- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
- v. Trace the actual deposit per the bank statement to the general ledger.

No exceptions were noted as a result of these procedures.

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

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

A listing of locations that process payments for the fiscal period and management's representation that the listing is complete were obtained. The only location of the entity was selected.

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

Exceptions were noted as a result of these procedures. The clerk who is responsible for preparing and processing the disbursements is also a signatory. All checks require two signatures.

- C. For each location selected under #5A above, obtain the entity's non-payroll disbursement transaction population and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
- i. Observe that the disbursement matched the related original invoice/billing statement.
 - ii. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B, as applicable.

Exceptions were noted as a result of these procedures. Multiple of the disbursements did not indicate proper approval or segregation of duties.

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

No exceptions were noted as a result of this procedure.

6) Credit Cards/Debit Cards/Fuel Cards/P-Cards

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

A listing of active cards for the fiscal period and management's representation that the listing is complete were obtained.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- i. Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive

fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.

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

No exceptions were noted as a result of these procedures.

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

No exceptions were noted as a result of this procedure.

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

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - i. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policies and procedures procedure 1A.
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions were noted as a result of these procedures.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

A listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period and management's representation that the listing is complete were obtained.

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

No exceptions were noted as a result of these procedures.

9) Payroll and Personnel

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

A listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete were obtained. Five employees of the entity were selected for review.

- B. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #9A above, obtain attendance records and leave documentation for the pay period, and:
- i. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - ii. Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

No exceptions were noted as a result of these procedures.

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

No exceptions were noted as a result of this procedure.

- D. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

No exceptions were noted as a result of this procedure.

10) Ethics

- A. Using the 5 randomly selected employees/officials from procedure #9A under "Payroll and Personnel" above obtain ethics documentation from management, and:
- i. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the calendar year as require by R.S. 42:1170.
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Multiple exceptions were noted as a result of these procedures.

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

No exceptions were noted as a result of this procedure.

11) Debt Service

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

Section not applicable to entity.

12) Fraud Notice

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

No misappropriations reported by entity.

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

No exceptions were noted as a result of this procedure.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures:

- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

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

We performed the procedures and discussed the results with management.

14) Prevention of Sexual Harassment

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

Several exceptions were noted during this procedure.

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

No exceptions were noted as a result of this procedure.

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

- i. Number and percentage of public servants in the agency who have completed the training requirements;
- ii. Number of sexual harassment complaints received by the agency;
- iii. Number of complaints which resulted in a finding that sexual harassment occurred;

- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- v. Amount of time it took to resolve each complaint.

No exceptions were noted as a result of this procedure.

We were engaged by the Village to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Dees Gardner, Certified Public Accountants, LLC

Mansfield, LA
December 31, 2025

Village of Grand Cane, Louisiana

P.O. Box 82
Grand Cane, LA 71032

Management's response to statewide agreed-upon procedures exceptions for the year ended June 30, 2025:

Section 1 – Written Policies and Procedures

Management is working to adopt formal written policies and procedures to address all required sections.

Section 2 – Board or Finance Committee

Management will specifically reference budget-to-actual comparisons in the monthly meeting minutes.

Section 4 – Collections (excluding EFTs)

The Village does not have the resources or manpower to segregate duties as required by agreed-upon procedures.

Section 5 – Nonpayroll disbursements

The Village does not have the resources or manpower to segregate duties as required by agreed-upon procedures, however, management approves all disbursements at the monthly meeting.

Section 10 – Ethics

Management and the board will ensure that all employees and board members complete one hour of ethics training each year as required.

Section 14 – Prevention of Sexual Harassment

Management and the board will ensure that all employees and board commissioners complete one hour of sexual harassment training each calendar year as required.

Marsha Richardson
Mayor
Village of Grand Cane, Louisiana