
VILLAGE OF NAPOLEONVILLE, LOUISIANA

ANNUAL FINANCIAL REPORT

FOR THE YEAR DECEMBER 31, 2020

VILLAGE OF NAPOLEONVILLE, LOUISIANA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020

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INDEPENDENT AUDITORS' REPORT

To the Honorable Ron Animashaun, Mayor
and Members of the Village Council
Village of Napoleonville, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, and the major fund of the Village of Napoleonville, Louisiana, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and the major fund of the Village of Napoleonville, Louisiana, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule, schedule of proportionate share of the net pension liability, and schedule of plan contributions on pages 3 through 8 and 38 through 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about methods of preparing the information and comparing the information for consistency with management's responses to our inquires, 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 assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Napoleonville, Louisiana's basic financial statements. The schedule of compensation, benefits, and other payments to chief executive officer, schedule of Louisiana Community Development Block Grant (LCDBG) activities, Justice System Funding Schedule – Collecting/Disbursing Entity, and the schedules of sewer customers and rates, aged accounts receivable, insurance in force, and contact information for the Mayor and Board of Alderman is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of compensation, benefits, and other payments to chief executive officer, schedule of Louisiana Community Development Block Grant (LCDBG) activities, Justice System Funding Schedule – Collecting/Disbursing Entity, and the schedules of sewer customers and rates, aged accounts receivable, insurance in force, and contact information for the Mayor and Board of Alderman are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits and other payments to chief executive officer, schedule of Louisiana Community Development Block Grant (LCDBG) activities, Justice System Funding Schedule – Collecting/Disbursing Entity, and the schedules of sewer customers and rates, aged accounts receivable, insurance in force, and contact information for the Mayor and Board of Alderman are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2021, on our consideration of the Village of Napoleonville, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village of Napoleonville, Louisiana's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Napoleonville, Louisiana's internal control over financial reporting and compliance.

Diez, Dupuy & Ruiz

Gonzales, Louisiana
June 30, 2021

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS

The section of Village of Napoleonville's (the Village) annual financial report presents a discussion and analysis of the Village's financial performance for the year ended on December 31, 2020. Please read this document in conjunction with the Village's financial statements.

Financial Highlights

- At December 31, 2020, the Village's combined total assets plus deferred outflows of resources exceeded its liabilities plus deferred inflows of resources by \$3,632,696 (net position). Net position of the governmental activities was \$381,827 while the business-type activities was \$3,250,869.
- For the year ended December 31, 2020, the Village's total net position increased by \$586,540.
- At December 31, 2020, the Village's governmental activities reported net position of \$381,827. Of this amount, \$63,656 is available for spending at the Village's discretion (unrestricted net position).
- At December 31, 2020, the Village's business-type activity reported net position of \$3,250,869. Of this amount \$161,215 is available for spending at the Village's discretion (unrestricted net position).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements comprise of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

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

The **Statement of Net Position** presents information on the Village's assets and liabilities using the accrual basis of accounting, in a manner similar to the accounting used by private business enterprises. The difference between the assets and liabilities is reported as net position. Over time, the increases in net position and changes in the components of net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The **Statement of Activities** presents information showing how the Village's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenue and expenses reported in this statement for some items will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused annual leave).

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS

In both of the government-wide financial statements, the Village's activities are divided into two types:

- Governmental activities – Most of the Village's basic services are reported here, including the general government, public safety, streets and drainage, sanitation, and culture and recreation. These activities are financed primarily by property taxes, franchise taxes, sales taxes, and fines.
- Business-type activities – the Village charges fees to customers to help it cover the costs of certain services it provides. The Village's sewer system services are included here.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. The Village uses two categories of funds to account for financial transactions: governmental funds and proprietary funds. Traditional users of governmental financial statements will find the fund financial statements presentation more familiar.

- Governmental funds are used to account for most of the Village's basic services. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances that are left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Village's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs.
- Proprietary funds account for sewer utility services provided by the Village to its customers. Proprietary funds statements provide the same type of information as the government-wide financial statements, but the fund presentation provides more detail.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, there are differences in the information presented for government funds and for governmental activities in the government-wide financial statements. Review of these differences provides the reader of the financial statements insight on the long-term impact of the Village's more immediate decisions on the current use of financial resources. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Change in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Financial Analysis of the Village as a Whole

Net Position. The Village's combined net position increased between fiscal years 2020 and 2019 from approximately \$3.05 million to approximately \$3.63 million.

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS

Village's Net Position
December 31, 2020

	Governmental Activities		Business-Type Activities	
	2020	2019	2020	2019
Current and other assets	\$ 159,928	\$ 131,970	\$ 165,891	\$ 56,989
Restricted cash	-	-	126,037	125,225
Capital assets, net	284,525	315,034	3,709,636	3,167,501
Total Assets	444,453	447,004	4,001,564	3,349,715
Deferred outflows of resources	8,958	10,904	-	-
Total assets and deferred outflows of resources	453,411	457,908	4,001,564	3,349,715
Current liabilities	6,057	7,357	119,913	30,820
Long-term liabilities	63,727	60,596	630,782	658,729
Total Liabilities	69,784	67,953	750,695	689,549
Deferred inflows of resources	1,800	3,965	-	-
Total liabilities and deferred inflows of resources	71,584	71,918	750,695	689,549
Net investment in capital assets	284,525	315,034	2,963,617	2,482,257
Restricted for:				
Other purposes	16,726	16,726	-	-
Public safety	16,920	-	-	-
Debt service	-	-	126,037	125,225
Unrestricted	63,656	54,230	161,215	52,684
Total Net Position	\$ 381,827	\$ 385,990	\$ 3,250,869	\$ 2,660,166

The largest portion of the Village's net position reflects its investment in capital assets (land, buildings, equipment, infrastructure, and improvements) net of any outstanding related debt used to acquire those capital assets. These capital assets are used to provide services to citizens and do not represent resources available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

The total net position of the Village's governmental activities decreased by approximately \$4,000 and the business-type activities increased by approximately \$591,000 during 2020. Governmental activities unrestricted net position, which increased by approximately \$9,000, represents the portion of the Village's resources that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements.

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS

Revenues for the Village's governmental activities increased 16.8 percent while the expenses decreased by 7.3 percent. The Village's business-type activities revenues increased 318.6 percent and expenses increased 4.1 percent for the current year. The governmental activities revenues generated for the 2020 and 2019 years did not cover the total cost of operations. The business-type activities revenue generated for the 2020 year covered the total cost of operations and 2019 years did not cover the total cost of operations, as depicted below.

Changes in Village's Net Position

	Governmental Activities		Business-Type Activities	
	2020	2019	2020	2019
Program revenues	\$ 72,646	\$ 67,108	\$ 812,302	\$ 193,248
General revenues	318,706	267,937	9,258	3,007
Total revenues	391,352	335,045	821,560	196,255
Operating expenses	395,515	426,612	230,857	221,749
(Decrease) Increase in net position	\$ (4,163)	\$ (91,567)	\$ 590,703	\$ (25,494)

Financial Analysis of the Village's Funds

As the Village completed the year, its governmental fund reported a fund balance of \$153,871, an increase from last year of \$29,258 or 23.5 percent.

Governmental Funds

The focus of the Village's general fund, its only governmental fund, is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Village's net resources available for spending at the end of the year. At the end of the current year, the Village's governmental funds reported a fund balance of \$153,871, all of which \$136,951 is unassigned and available for spending at the Village's discretion. The following schedule presents a summary of governmental fund revenues and expenditures for the year ended December 31, 2020, and the amounts and percentages of increases and decreases in relation to the prior year.

Revenues	2020 Amount	Percent of Total	2019 Amount	Increase (Decrease) from 2019	Percent Increase (Decrease)
Taxes	\$ 238,328	61.1%	\$ 180,586	\$ 57,742	32.0%
Grants	14,540	3.7%	1,000	13,540	1,354.1%
Charges for services	54,488	14.0%	57,195	(2,707)	(4.7%)
Fines and forfeitures	968	0.2%	2,058	(1,090)	(53.0%)
Licenses and permits	78,753	20.2%	79,765	(1,012)	(1.3%)
Rental income	2,650	0.6%	6,855	(4,205)	(61.3%)
Interest	201	0.1%	695	(494)	(71.1%)
Miscellaneous	131	0.1%	5,684	(5,553)	(97.7%)
Total Revenues	\$ 390,059	100.0%	\$ 333,838	\$ 56,221	

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS

Expenditures	2020 Amount	Percent of Total	2019 Amount	Increase (Decrease) from 2019	Percent Increase (Decrease)
General Government	\$ 206,232	57.2%	\$ 192,483	\$ 13,749	7.1%
Public Safety	44,325	12.3%	50,276	(5,951)	(11.8%)
Streets and drainage	21,167	5.9%	47,031	(25,864)	(55.0%)
Sanitation	61,267	17.0%	59,725	1,542	2.6%
Culture and recreation	14,270	4.0%	13,915	355	2.6%
Capital outlays	13,540	3.6%	-	13,540	100.0%
Total Expenditures	\$ 360,801	100.0%	\$ 363,430	\$ (2,629)	

Proprietary Funds

The Village's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

General Fund Budgetary Highlights

Over the course of the year, the Village's General Fund budget was amended. The amendment of the operating budget is customary practice of the Village and reflective of the financial changes that occur throughout the year. The most significant reasons for the budget amendment during 2020 are as follows:

- A decrease in tax revenues by \$38,500.
- A decrease in intergovernmental revenues by \$11,460.
- A decrease in general government expenditures by \$18,300.
- A decrease in public safety expenditures by \$36,600.
- A decrease in capital outlay expenditures by \$11,460.

Actual revenues exceeded budgeted amounts by \$12,119. Budgeted expenditures exceeded actual amounts by \$8,639.

Capital Assets

The Village's net investment in capital assets for its governmental and business-type activities as of December 31, 2020 amounts to \$3,994,161.

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land	\$ 88,500	\$ 88,500	\$ -	\$ -	\$ 88,500	\$ 88,500
Construction in progress	-	-	731,865	53,070	731,865	53,070
Buildings and improvements	101,423	97,258	-	-	101,423	97,258
Vehicles	3,413	3,413	-	-	3,413	3,413
Equipment	12,942	31,672	-	-	12,942	31,672
Infrastructure	78,247	94,191	-	-	78,247	94,191
Utility property	-	-	2,977,771	3,114,431	2,977,771	3,114,431
Totals	\$ 284,525	\$ 315,034	\$ 3,709,636	\$ 3,167,501	\$ 3,994,161	\$ 3,482,535

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS

Long-Term Liabilities

At December 31, 2020, the Village has total long-term liabilities of \$722,445. Of this total, \$27,936 is due within one year.

December 31, 2020

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>
Governmental Activities:				
Net pension liability	\$ 40,052	\$ 3,152	\$ 1,074	\$ 42,130
Compensated absences	3,818	1,053	-	4,871
Claims payable	16,726	-	-	16,726
Business-type activities:				
USDA loans	<u>685,244</u>	<u>-</u>	<u>26,526</u>	<u>658,718</u>
Total long-term liabilities	<u>\$ 745,840</u>	<u>\$ 4,205</u>	<u>\$ 27,600</u>	<u>\$ 722,445</u>

Other Factors Affecting the Village

The Village of Napoleonville's management approach is conservative. When possible, the Mayor and Alderman attempt to provide services for the Village based on existing revenues and to finance long-term projects only when absolutely necessary. The Village also attempts to keep sewer rates at the minimum required to cover the costs of the sewer system operations.

Economic Factors and Next Year's Budget

The Village is dependent on taxes for 61% of its revenues and licenses and permits for 20%. The Village's next year's revenues are budgeted consistent with the current year's final budgeted revenues with the exception of the increase in budgeted state grants expected to be received in 2021. Budgeted expenditures are expected to increase attributed to the increase in capital outlay for 2021.

Contacting the Village's Financial Management

This financial report is designed to provide the Village's citizens, taxpayers, customers, and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. Questions regarding this report or requests for additional information should be addressed to the Village of Napoleonville, 123 Jefferson Street, Napoleonville, LA 70390, telephone (985) 369-6365.

VILLAGE OF NAPOLEONVILLE
STATEMENT OF NET POSITION
DECEMBER 31, 2020

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Current Assets:			
Cash and cash equivalents	\$ 109,681	\$ 79,737	\$ 189,418
Accounts receivables:			
Ad valorem taxes	11,075	-	11,075
Sales taxes	14,991	-	14,991
Garbage assessment	4,085	-	4,085
Franchise fees	4,279	-	4,279
Grants	-	87,301	87,301
Other	356	14,314	14,670
Internal balances	15,461	(15,461)	-
Total Current Assets	<u>159,928</u>	<u>165,891</u>	<u>325,819</u>
Non-current Assets:			
Restricted cash	-	126,037	126,037
Capital assets:			
Non-depreciable	-	731,865	731,865
Depreciable, net of accumulated depreciation	284,525	2,977,771	3,262,296
Total Non-current Assets	<u>284,525</u>	<u>3,835,673</u>	<u>4,120,198</u>
Total Assets	<u>444,453</u>	<u>4,001,564</u>	<u>4,446,017</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension related	8,958	-	8,958
Total Deferred Outflows of Resources	<u>8,958</u>	<u>-</u>	<u>8,958</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 453,411</u>	<u>\$ 4,001,564</u>	<u>\$ 4,454,975</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	\$ 1,962	\$ 2,152	\$ 4,114
Accrued liabilities	4,095	2,524	6,619
Contracts payable	-	87,301	87,301
Current portion of long-term debt	-	27,936	27,936
Total Current Liabilities	<u>6,057</u>	<u>119,913</u>	<u>125,970</u>
Non-current liabilities:			
Claims payable	16,726	-	16,726
Compensated absences	4,871	-	4,871
Net pension liability	42,130	-	42,130
Long-term debt	-	630,782	630,782
Total Non-current Liabilities	<u>63,727</u>	<u>630,782</u>	<u>694,509</u>
Total Liabilities	<u>69,784</u>	<u>750,695</u>	<u>820,479</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension related	1,800	-	1,800
Total Deferred Inflows of Resources	<u>1,800</u>	<u>-</u>	<u>1,800</u>
<u>NET POSITION</u>			
Net investment in capital assets	284,525	2,963,617	3,248,142
Restricted for:			
Other purposes	16,726	-	16,726
Public safety	16,920	-	16,920
Debt service	-	126,037	126,037
Unrestricted	63,656	161,215	224,871
Total net position	<u>381,827</u>	<u>3,250,869</u>	<u>3,632,696</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 453,411</u>	<u>\$ 4,001,564</u>	<u>\$ 4,454,975</u>

The accompanying notes are an integral part of this financial statement.

VILLAGE OF NAPOLEONVILLE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<u>Activities</u>							
Governmental:							
General government	\$ 215,879	\$ -	\$ 1,000	\$ -	\$ (214,879)	\$ -	\$ (214,879)
Public safety	61,754	968	-	-	(60,786)	-	(60,786)
Streets and drainage	38,170	-	-	-	(38,170)	-	(38,170)
Sanitation	61,267	54,488	-	-	(6,779)	-	(6,779)
Culture and recreation	18,445	2,650	-	13,540	(2,255)	-	(2,255)
Total governmental activities	<u>395,515</u>	<u>58,106</u>	<u>1,000</u>	<u>13,540</u>	<u>(322,869)</u>	<u>-</u>	<u>(322,869)</u>
Business-type:							
Utility	230,857	133,507	-	678,795	-	581,445	581,445
Total business-type activities	<u>230,857</u>	<u>133,507</u>	<u>-</u>	<u>678,795</u>	<u>-</u>	<u>581,445</u>	<u>581,445</u>
Total Primary Government	<u>\$ 626,372</u>	<u>\$ 191,613</u>	<u>\$ 1,000</u>	<u>\$ 692,335</u>	<u>(322,869)</u>	<u>581,445</u>	<u>258,576</u>
General Revenues:							
Taxes					238,328	-	238,328
Licenses and permits					78,753	-	78,753
Interest					201	886	1,087
Miscellaneous					131	-	131
Proceeds from insurance					-	8,372	8,372
Contributions from non-employer contributing entities					1,293	-	1,293
Total general revenues					<u>318,706</u>	<u>9,258</u>	<u>327,964</u>
Change in net position					(4,163)	590,703	586,540
Net position - beginning					<u>385,990</u>	<u>2,660,166</u>	<u>3,046,156</u>
Net position - ending					<u>\$ 381,827</u>	<u>\$ 3,250,869</u>	<u>\$ 3,632,696</u>

The accompanying notes are an integral part of this financial statement.

VILLAGE OF NAPOLEONVILLE
BALANCE SHEET
GOVERNMENTAL FUND
DECEMBER 31, 2020

ASSETS

Cash and cash equivalents	\$	109,681
Accounts receivables:		
Ad valorem taxes		11,075
Sales taxes		14,991
Garbage assessment		4,085
Franchise fees		4,279
Other		356
Due from other funds		15,461
Total assets	\$	<u>159,928</u>

LIABILITIES

Accounts payable	\$	1,962
Accrued liabilities		4,095
Total liabilities		<u>6,057</u>

FUND BALANCE

Restricted		16,920
Unassigned		136,951
Total fund balance		<u>153,871</u>

Total liabilities and fund balance	\$	<u>159,928</u>
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The accompanying notes are an integral part of this financial statement.

VILLAGE OF NAPOLEONVILLE
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2020

Total fund balance - Governmental Fund		\$ 153,871
Amounts reported for governmental activities in the statement of net position are different because:		
Deferred outflows-pension related		8,958
Capital assets used in governmental activities that are not financial resources and, therefore, are not reported in the governmental funds:		
Cost of capital assets at December 31, 2020	\$ 1,515,886	
Less: accumulated depreciation as of December 31, 2020	<u>(1,231,361)</u>	284,525
Long-term liabilities applicable to the Village's governmental activities are not due and payable in the current period and accordingly are not reported in the governmental fund.		
Claims payable		(16,726)
Compensated absences		(4,871)
Net pension liability		(42,130)
Deferred inflows-pension related		<u>(1,800)</u>
Total net position at December 31, 2020 - Governmental Activities		<u><u>\$ 381,827</u></u>

The accompanying notes are an integral part of this financial statement.

VILLAGE OF NAPOLEONVILLE
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
YEAR ENDED DECEMBER 31, 2020

REVENUES

Taxes	\$ 238,328
Intergovernmental revenue:	
State and local grants	14,540
Charges for services	54,488
Fines and forfeitures	968
Licenses and permits	78,753
Rental income	2,650
Investment income	201
Miscellaneous	131
Total revenues	<u>390,059</u>

EXPENDITURES

Current:	
General government	206,232
Public safety	44,325
Streets and drainage	21,167
Sanitation	61,267
Culture and recreation	14,270
Capital Outlay:	
Culture and recreation	13,540
Total expenditures	<u>360,801</u>

Excess of revenues over expenditures 29,258

Fund Balance, Beginning of Year 124,613

Fund Balance, End of Year \$ 153,871

The accompanying notes are an integral part of this financial statement.

VILLAGE OF NAPOLEONVILLE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND TO CHANGES
IN NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2020

Net change in fund balance - Governmental fund	\$	29,258
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The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.

Capital Assets:

Capital outlay capitalized	\$ 13,540	
Depreciation expense for the year ended December 31, 2020	<u>(44,049)</u>	(30,509)

Certain revenues in the statement of activities that do not provide available current financial resources are not reported as revenues in the funds.

Change in compensated absences		(1,053)
Net effect of change in net position liability and deferrals		(3,152)
Contributions from non-employer contributing entities		<u>1,293</u>

Change in net position of governmental activities	\$	<u>(4,163)</u>
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The accompanying notes are an integral part of this financial statement.

VILLAGE OF NAPOLEONVILLE
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2020

ASSETS

Current assets:		
Cash and cash equivalents	\$	79,737
Accounts receivable		14,314
Grant receivable		87,301
Total Current Assets		<u>181,352</u>
Non-current assets:		
Restricted cash		126,037
Capital assets:		
Non-depreciable		731,865
Depreciable, net of accumulated depreciation		2,977,771
Total Non-Current Assets		<u>3,835,673</u>
 Total Assets	 \$	 <u><u>4,017,025</u></u>

LIABILITIES

Current liabilities:		
Accounts payable	\$	2,152
Accrued interest payable		2,524
Contracts payable		87,301
Due to general fund		15,461
Current portion of long-term debt		27,936
Total Current Liabilities		<u>135,374</u>
Non-current liabilities:		
Long-term debt		630,782
Total Non-Current Liabilities		<u>630,782</u>
 Total Liabilities		 <u>766,156</u>

NET POSITION

Net investment in capital assets		2,963,617
Restricted		126,037
Unrestricted		161,215
Total Net Position		<u>3,250,869</u>
 Total Liabilities and Net Position	 \$	 <u><u>4,017,025</u></u>

The accompanying notes are an integral part of this financial statement.

VILLAGE OF NAPOLEONVILLE
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2020

OPERATING REVENUES	
Charges for service	\$ 133,507
Total operating revenues	133,507
 OPERATING EXPENSES	
Health and welfare	60,766
Depreciation	138,203
Total operating expenses	198,969
 OPERATING LOSS	 (65,462)
 NONOPERATING REVENUES (EXPENSES)	
Interest income	886
Insurance proceeds	8,372
Interest expense	(31,888)
Total non-operating revenues (expenses)	(22,630)
Loss before capital grants and contributions	(88,092)
 CAPITAL GRANTS AND CONTRIBUTIONS	 678,795
Change in net position	590,703
 Total net position - beginning	 2,660,166
 Total net position - ending	 \$ 3,250,869

The accompanying notes are an integral part of this financial statement.

VILLAGE OF NAPOLEONVILLE
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED DECEMBER 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 130,277
Payments for goods and services	(60,395)
Net cash provided by operating activities	<u>69,882</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital grants and contributions	591,494
Capital asset additions	(593,037)
Payments on debt obligations	(26,526)
Interest payments on debt obligations	(31,888)
Net cash used in capital and related financing activities	<u>(59,957)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Proceeds from insurance	<u>8,372</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	<u>886</u>
Net increase in cash and cash equivalents	19,183
Cash and cash equivalents - December 31, 2019	<u>186,591</u>
Cash and cash equivalents - December 31, 2020	<u><u>\$ 205,774</u></u>
RECONCILIATION OF CASH	
Cash and cash equivalents	\$ 79,737
Restricted cash	126,037
	<u>\$ 205,774</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Operating loss	\$ (65,462)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	138,203
Change in assets and liabilities	
Increase in accounts receivable	(3,230)
Increase in accounts payable	371
Net cash provided by operating activities	<u><u>\$ 69,882</u></u>

The accompanying notes are an integral part of this financial statement.

VILLAGE OF NAPOLEONVILLE

Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Village of Napoleonville, Louisiana (the “Village”) was incorporated under the provisions of the Lawrason Act (LSA-RS 33:321). The Village operates under a Mayor-Board of Aldermen Council form of government. The Mayor and each of the three aldermen are elected at-large for four-year terms. The Mayor and Aldermen are compensated per diem for each meeting attended; in addition, the Mayor receives a salary. The estimated population is 686. The Village provides police protection, services to maintain and develop streets, drainage, and sanitation, general and administrative services, and utilities services for area residents. The Village provides sewer services to customers inside and outside of the Village limits. The Village employs 1 full-time employee in addition to the Mayor and Board of Aldermen.

As the municipal governing authority, for reporting purposes, the Village of Napoleonville is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (municipality), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which 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.

Code Section 2100 of GASB’s Codification of Governmental Accounting and Financial Reporting Standards established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the Village is considered a primary government, since it is a special purpose government that has separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. Fiscally independent means that the Village may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded det. There are no other component units which the Village of Napoleonville has an oversight relationship.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

VILLAGE OF NAPOLEONVILLE

Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are presented as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities or 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 period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only when payment is due.

Sales taxes, property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Village reports the following major governmental fund:

The *General Fund* is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in other funds.

The Village reports the following major proprietary fund:

The *Enterprise Fund* accounts for operations (a) that are financed and operated in a manner similar to private business enterprise 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 be financed or recovered primarily through user fees, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

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

VILLAGE OF NAPOLEONVILLE

Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from 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 revenues of the proprietary funds are user charges for the services provided by the enterprise fund. Operating expenses for the enterprise 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.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and Cash Equivalents

The Village's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the Village of Napoleonville, Louisiana to invest in United States bonds, treasury notes and bills and other certificate or time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advantages to/from other funds" (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Property and Sales Tax

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

	<u>Authorized Millage</u>	<u>Levied Millage</u>
General Purposes	6.56	6.56
Maintenance Purposes	6.95	6.95

VILLAGE OF NAPOLEONVILLE

Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Sales Tax (continued)

Sales Taxes are levied at 1 percent. The proceeds of this sales and use tax are dedicated to general purposes.

Effective January 1, 2020, the Village levied a ½ percent sales and use tax solely for the purpose of supporting the Village’s Public Safety Department.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Village maintains a threshold level of \$500 or more for capitalizing capital assets.

Historically, a government’s largest group of assets, infrastructure assets (roads, bridges, street lighting, etc.) have not been reported nor depreciated in governmental financial statements. As a Phase III government, the Village of Napoleonville is not required to retroactively report infrastructure in the Statement of Net Position under the guidance of the Governmental Accounting Standards Board. The Village is however required to disclose in the notes to the financial statements any infrastructure items that were omitted from the financial statements. As of December 31, 2020, none of the roads, bridges or street lighting contained within the village corporate limits were included in the Statement of Net Position.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend their lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

Buildings and Improvements	20 – 40 Years
Infrastructure	25 Years
Vehicles and Equipment	5 – 15 Years
Sewer and Utility System	20 – 40 Years

VILLAGE OF NAPOLEONVILLE

Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences

In the government-wide financial statements, the Village employee's leave is recorded as a long-term liability. Employees earn from 12 to 24 days of vacation leave each year depending on length of service. Vacation leave vest and is accumulated at year-end. Employees may accumulate sick leave at a rate of one day per month. Sick leave may be accumulated but does not vest.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the governmental fund when leave is taken

Long-Term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financial sources while discounts on debt issuances are reported as other financial uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below:

Nonspendable – represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted – represents balances where constraints have been established by parties outside the Village or imposed by law through constitutional provisions or enabling legislation.

Committed – represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Village's highest level of decision-making authority.

Assigned – represents balances that are constrained by the Village's intent to be used for specific purposes, but are not restricted nor committed.

Unassigned – represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

VILLAGE OF NAPOLEONVILLE

Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position in the Government-Wide Financial Statements

For the government-wide statement of net position, the net position amount is classified and displayed in three components:

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

When expenditures are incurred for the purposes for which both restricted and unrestricted amounts are available, the Village will reduce restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned and unassigned amounts are available, the Village will reduce committed amounts first, followed by assigned amounts, and then unassigned amounts.

Certain proceeds of the Enterprise Fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets because their use is limited by applicable debt covenants.

Reconciliations of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position is presented on page 12 of the basic financial statements. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities is presented on page 14 of the basic financial statements.

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 and expenses during the reporting period. Actual results could differ from those estimates.

VILLAGE OF NAPOLEONVILLE

Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then. The Village has one item that qualifies for this category; pension related deferrals, which is reported in the government-wide statement.

In addition to liabilities, the Statement of Net Position or Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) at that time. The Village has one item that qualify for this category; pension related deferrals. The amounts deferred are recognized as an inflow of resources in the period that the amounts become available.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The Village uses the following budget practices:

1. The Village Clerk prepares a proposed budget and submits to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving the increase in expenditures resulting from revenues exceeding amounts estimated, require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.

VILLAGE OF NAPOLEONVILLE

Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

7. Budgets for the general and enterprise funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets for enterprise funds are presented on the accrual basis of accounting. Other governmental funds are presented on the modified accrual basis of accounting. Accordingly, the budgetary comparison schedules present actual expenditures in accordance with the accounting principles generally accepted in the United States on a basis consistent with the legally adopted budgets as amended. All budgetary amounts presented reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

NOTE 3 – CASH AND CASH EQUIVALENTS

At December 31, 2020, the Village has cash and cash equivalents (book balances) totaling \$315,455 as follows:

	Cash	Restricted Cash	Total
Demand Deposits	<u>\$ 149,108</u>	<u>\$ -</u>	<u>\$ 149,108</u>
LAMP	<u>40,310</u>	<u>126,037</u>	<u>166,347</u>
	<u>\$ 189,418</u>	<u>\$ 126,037</u>	<u>\$ 315,455</u>

These deposits are stated at cost, which approximates market value. 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 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.

At December 31, 2020, the Village has \$149,467 in demand deposits (collected bank balances). These deposits are secured from risk by \$149,467 of federal deposit insurance.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA - R.S. 33:2955.

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest rate risk, and foreign currency risk for all public entity investments.

VILLAGE OF NAPOLEONVILLE

Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

NOTE 3 – CASH AND CASH EQUIVALENTS (continued)

LAMP is an investment pool that, to the extent practical, invest in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 88 days as of December 31, 2020.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

Certain cash and cash equivalents are restricted in that they comprise reserves that are required to be maintained under various bond indentures. See Note 5.

NOTE 4 – RECEIVABLES

In the government-wide statements, receivables consist of all revenues earned as year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the period aging and write-off of accounts receivable. Major receivable balances for the governmental activities include sales taxes, ad valorem taxes, franchise taxes, occupational licenses, fines, and grants. Business-type activities report utilities earnings as their major receivable.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, ad valorem taxes, franchise taxes, occupational licenses, fines, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Ad valorem taxes are recorded only if paid within 60 days since they would be considered both measurable and available. Proprietary fund revenues consist of all revenues earned at year-end and not yet received. Utility accounts receivable comprise the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging and write-off of accounts receivable. As of December 31, 2020, management believes all receivables are collectible and no allowance has been recorded in the current year.

VILLAGE OF NAPOLEONVILLE

Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

NOTE 5 – RESTRICTED ASSETS AND RESTRICTED NET POSITION

Under the terms of the USDA loan agreements, the Village is to make monthly deposits into a Bond and Interest Sinking Fund, a Reserve Fund (5% of the annual debt payment) and Depreciation & Contingency Fund (5% of the annual debt payment). As of December 31, 2020, the status of these accounts is as follows:

	<u>Cash on Deposit</u>	<u>Amounts Required Per USDA</u>
Bond reserve fund	\$ 58,415	\$ 58,415
Bond depreciation and contingency fund	67,622	68,246
Total	<u>\$ 126,037</u>	<u>\$ 126,661</u>

NOTE 6 – LONG-TERM LIABILITIES

The following is a summary of long-term obligation transactions for the year ended December 31, 2020:

	<u>Balance</u>			<u>Balance</u>		<u>Due Within One Year</u>
Governmental Activities	<u>12/31/2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/2020</u>		
Net Pension liability	\$ 40,052	\$ 3,152	\$ 1,074	\$ 42,130	\$ -	
Compensated absences	3,818	1,053	-	4,871	-	
Claims Payable	16,726	-	-	16,726	-	
<u>Total governmental funds</u>	<u>60,596</u>	<u>4,205</u>	<u>1,074</u>	<u>63,727</u>	<u>-</u>	
Proprietary Fund						
1989 Sewer Revenue Bond	159,050	-	13,331	145,719	14,152	
2001 Sewer Revenue Bond	243,870	-	7,207	236,663	7,537	
2006 Sewer Revenue Bond	282,324	-	5,988	276,336	6,247	
<u>Total proprietary fund</u>	<u>685,244</u>	<u>-</u>	<u>26,526</u>	<u>658,718</u>	<u>27,936</u>	
Total long-term debt	<u>\$ 745,840</u>	<u>\$ 4,205</u>	<u>\$ 27,600</u>	<u>\$ 722,445</u>	<u>\$ 27,936</u>	

Business-Type Activities

\$336,500 Sewer Revenue Bond secured by a pledge of sewer revenues, due in monthly installments of \$1,876 through December 11, 2029; interest 6.0%	\$ 145,719
\$331,000 Sewer Revenues bond secured by a pledge of sewer revenues, due in monthly installments of \$1,503 through December 3, 2041; interest 4.5%	236,663
\$340,000 Sewer Revenue Bond secured by a pledge of sewer revenues, due in monthly installments of \$1,489 through March 3, 2046; interest at 4.25%	<u>276,336</u>
Total long-term debt from business-type activities	<u>\$ 658,718</u>

VILLAGE OF NAPOLEONVILLE

Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

NOTE 6 – LONG-TERM OBLIGATIONS (continued)

The annual requirements to amortize all debt outstanding at December 31, 2020, are as follows:

	USDA - 1989		USDA - 2001		USDA - 2006		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Total Principal	Total Interest
2021	\$ 14,152	\$ 8,359	\$ 7,537	\$ 10,496	\$ 6,247	\$ 11,623	\$ 27,936	\$ 30,478
2022	15,025	7,486	7,883	10,150	6,517	11,353	29,425	28,989
2023	15,952	6,559	8,245	9,788	6,800	11,070	30,997	27,417
2024	16,936	5,575	8,624	9,409	7,095	10,775	32,655	25,759
2025	17,981	4,530	9,020	9,012	7,402	10,468	34,403	24,010
2026 – 2030	65,673	6,704	51,712	38,452	42,109	47,243	159,494	92,399
2031 – 2035	-	-	64,733	25,431	52,060	37,292	116,793	62,723
2036 – 2040	-	-	78,909	9,134	64,362	24,990	143,271	34,124
2041 – 2045	-	-	-	-	79,570	9,782	79,570	9,782
2046 – 2050	-	-	-	-	4,174	29	4,174	29
	<u>\$145,719</u>	<u>\$39,213</u>	<u>\$236,663</u>	<u>\$121,872</u>	<u>\$276,336</u>	<u>\$174,625</u>	<u>\$658,718</u>	<u>\$335,710</u>

NOTE 7 – CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2020 for governmental activities is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 88,500	\$ -	\$ -	\$ 88,500
Total Capital Assets Not Being Depreciated	<u>88,500</u>	<u>-</u>	<u>-</u>	<u>88,500</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	670,394	13,540	-	683,934
Infrastructure	380,880	-	-	380,880
Vehicles	54,613	-	-	54,613
Equipment	307,959	-	-	307,959
Total Capital Assets Being Depreciated	<u>1,413,846</u>	<u>13,540</u>	<u>-</u>	<u>1,427,386</u>
Less Accumulated Depreciation for:				
Buildings and improvements	(573,136)	(9,375)	-	(582,511)
Infrastructure	(286,689)	(15,944)	-	(302,633)
Vehicles	(51,200)	-	-	(51,200)
Equipment	(276,287)	(18,730)	-	(295,017)
Total Accumulated Depreciation	<u>(1,187,312)</u>	<u>(44,049)</u>	<u>-</u>	<u>(1,231,361)</u>
Capital Assets Being Depreciated, Net	<u>226,534</u>	<u>(30,509)</u>	<u>-</u>	<u>196,025</u>
Governmental Activities Capital Assets, Net	<u>\$ 315,034</u>	<u>\$ (30,509)</u>	<u>\$ -</u>	<u>\$ 284,525</u>

VILLAGE OF NAPOLEONVILLE

Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

NOTE 7 – CAPITAL ASSETS (continued)

Depreciation expense was charged to the function of the primary government as follows:

Governmental activities:	
General government	\$ 5,442
Public safety – police	17,429
Streets and drainage	17,003
Culture and recreation	<u>4,175</u>
 Total depreciation expense – governmental activities	 <u>\$ 44,049</u>

Capital assets and depreciation activity as of and for the year ended December 31, 2020 for business-type activities is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated:				
Construction in progress	\$ 53,070	\$ 678,795	\$ -	\$ 731,865
Total Capital Assets Not Being Depreciated	<u>53,070</u>	<u>678,795</u>	<u>-</u>	<u>731,865</u>
 Capital Assets Being Depreciated:				
Sewer Utility System	\$ 1,185,680	\$ -	\$ -	\$ 1,185,680
Improvements	4,122,031	-	-	4,122,031
Equipment	16,361	1,543	(1,750)	16,154
Total Capital Assets Being Depreciated	<u>5,324,072</u>	<u>1,543</u>	<u>(1,750)</u>	<u>5,323,865</u>
 Less Accumulated Depreciation for:				
Sewer System	(1,037,470)	(29,642)	-	(1,067,112)
Improvements	(1,155,810)	(108,355)	-	(1,264,165)
Equipment	(16,361)	(206)	1,750	(14,817)
Total Accumulated Depreciation	<u>(2,209,641)</u>	<u>(138,203)</u>	<u>-</u>	<u>(2,346,094)</u>
 Capital Assets Being Depreciated, Net	<u>3,114,431</u>	<u>(136,660)</u>	<u>-</u>	<u>2,977,771</u>
 Business-Type Activities Capital Assets, net	<u>\$ 3,167,501</u>	<u>\$ 542,135</u>	<u>\$ -</u>	<u>\$ 3,709,636</u>

VILLAGE OF NAPOLEONVILLE

Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

NOTE 8 – INTERFUND RECEIVABLES / PAYABLES

The following is a detailed list of interfund balances reported in the fund financial statements on December 31, 2020:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 15,461	\$ -
Enterprise Fund	-	15,461
	<u>\$ 15,461</u>	<u>\$ 15,461</u>

Transfers from the general fund to other funds are to provide supplemental funds for fund operations. These balances are not expected to be repaid within a year.

NOTE 9 – PENSION AND RETIREMENT PLANS

The Village of Napoleonville (the Village) is a participating employer in a cost-sharing defined benefit pension plan. This plan is administered by the Municipal Employees' Retirement System of Louisiana (MERS). Article X, Section 29 (F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of these plans to the State Legislature. The system is administered by a separate board of trustees.

Municipal Employees' Retirement System of Louisiana (MERS) issues an annual publicly available financial report that includes financial statements and required supplementary information for the system. These reports may be obtained by writing, calling or downloading the report as follows:

MERS:
7937 Office Park Boulevard
Baton Rouge, Louisiana 70809
(225)925-4810
www.mersla.com

The Village implemented Government Accounting Standards Board (GASB) Statement 68 on Accounting and Financial Reporting for Pensions and Statement 71 on Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB 68. These standards require the Village to record its proportional share of each of the pension plans Net Pension Liability and report the following disclosures:

VILLAGE OF NAPOLEONVILLE

Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

NOTE 9 – PENSION AND RETIREMENT PLANS (continued)

Plan Descriptions:

Municipal Employees' Retirement System of Louisiana (MERS)

The Municipal Employees' Retirement System of Louisiana (MERS) is the administrator of a cost sharing multiple-employer defined benefit pension plan. The System was originally established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana. The System provides retirement benefits to employees of all incorporated villages, towns and cities within the State which do not have their own retirement system and which elect to become members of the System. For the year ended June 30, 2020, there were 87 contributing municipalities in Plan A and 67 in Plan B. The Village of Napoleonville is a participant in Plan B only.

The following is a description of the plan and its benefits and is provided for general information purposes only.

Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least thirty-five hours per week. Those individuals paid jointly by a participating employer and the parish are not eligible for membership in the System with exceptions as outlined in the statutes.

Any member of Plan B, who was hired before January 1, 2013 can retire providing the member meets one of the following criteria:

1. Any age with thirty (30) or more years of credible service.
2. Age 60 with a minimum of ten (10) or more years credible service.

Eligibility for Retirement for Plan A and Plan B members hired on or after January 1, 2013 is as follows:

1. Age 67 with seven (7) or more years of credible service
2. Age 62 with ten (10) or more years of credible service
3. Age 55 with thirty (30) or more years of credible service
4. Any age with twenty-five (25) years of credible service, exclusive of military service and unused side leave. However, any member retiring under this subsection shall have their benefit actuarially reduced from the earliest age of which the member would be entitled to a vested deferred benefit under any provision of this section, if the member had continued service to that age.

Generally, the monthly amount of the retirement allowance for any member of Plan B shall consist of an amount equal to two percent of the member's monthly average final compensation multiplied by his years of credible service. Final compensation is the average monthly earnings during the highest sixty consecutive months or joined months if service was interrupted. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts.

VILLAGE OF NAPOLEONVILLE

Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

NOTE 9 – PENSION AND RETIREMENT PLANS (continued)

Upon death of any member of Plan B with five (5) or more years of credible service, not eligible for normal retirement, the plan provides for benefits for the surviving spouse as outlined in the statutes. Any member of Plan B, who is eligible for normal retirement at time of death and who leaves a surviving spouse will be deemed to have retired and selected Option 2 benefits on behalf of the surviving spouse on the date of death. Such benefits will begin only upon proper application and are paid in lieu of any other survivor benefits.

In lieu of terminating employment and accepting a service retirement allowance, any member of Plan A or B who is eligible to retire may elect to participate in the deferred retirement option plan (DROP) for up to three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund. Interest is earned when the member has completed DROP participation. Interest earnings are based upon the actual rate of return on the investments identified as DROP funds for the period. In addition, no cost-of-living increases are payable to participants until employment which make them eligible to become members of the System has been terminated for at least one full year. Upon termination of employment prior to or at the end of a specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the board of trustees. If a participant dies during participation in the DROP, a lump sum equal to the balance in his account shall be paid to his named beneficiary, or if none, to his estate. If employment is not terminated at the end of the three years, payments into the DROP fund cease and the person resumes active contributing membership in the System.

For Plan B, a member shall be eligible to retire and receive a disability benefit if he has at least ten years of creditable service, is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan B shall be paid a disability benefit equal to the lesser of (1) an amount equal to two percent of his final compensation multiplied by his years of creditable service, but not less than thirty percent of his final compensation, or (2) an amount equal to what the member's normal retirement benefit would be based on the member's current final compensation, but assuming the member remained in continuous service until his earliest normal retirement age and using those retirement benefit computation factors which would be applicable to the member's normal retirement.

Funding Policy

Article X, Section 29(E) (2) (a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee (PRSAC).

VILLAGE OF NAPOLEONVILLE

Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

NOTE 9 – PENSION AND RETIREMENT PLANS (continued)

Contributions to the plan are required and determined by State statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended June 30, 2020, for the Village and covered employees were as follows:

	<u>Village</u>	<u>Employees</u>
Municipal Employees' Retirement System Plan B		
All employees	14.0%	5.0%

The contribution made to the Municipal Employees' Retirement System for the past three fiscal years, which equaled the required contributions for each of these years, were as follows:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Municipal Employees' Retirement System Plan B	\$ 5,208	\$ 4,900	\$ 4,814

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

The following schedule lists the Village's proportionate share of the Net Pension Liability allocated by each of the pension plans for based on the June 30, 2020 measurement date. The Village uses this measurement to record its Net Pension Liability and associated amounts as of December 31, 2020 in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at June 30, 2020 along with the change compared to the June 30, 2019 rate. The Village's proportion of the Net Pension Liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

	<u>Net Pension Liability at June 30, 2020</u>	<u>Rate at June 30, 2020</u>	<u>Increase on June 30, 2019 Rate</u>
Municipal Employees' Retirement System Plan B	<u>\$ 42,130</u> <u>\$ 42,130</u>	0.0465%	0.0007%

The following schedule list the pension plan's recognized pension expense of the Village for the year ended December 31, 2020:

Municipal Employees' Retirement System Plan B	<u>Total</u> <u>\$ 3,152</u> <u>\$ 3,152</u>
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VILLAGE OF NAPOLEONVILLE

Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

NOTE 9 – PENSION AND RETIREMENT PLANS (continued)

At December 31, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (707)
Changes of assumptions	1,305	-
Net difference between projected and actual earnings on pension plan investments	4,574	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	361	(1,093)
Employer contributions subsequent to the measurement date	2,718	-
Total	<u>\$ 8,958</u>	<u>\$ (1,800)</u>

Summary totals of deferred outflows of resources and deferred inflows of resources by pension plan:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Municipal Employees' Retirement System Plan B	<u>\$ 8,958</u>	<u>\$ (1,800)</u>
	<u>\$ 8,958</u>	<u>\$ (1,800)</u>

The Village reported a total of \$2,718 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2020 which will be recognized as a reduction in Net Pension Liability in the year ended December 31, 2020. The following schedule list the pension contributions made subsequent to the measurement period for each pension plan:

	<u>Subsequent Contributions</u>
Municipal Employees' Retirement System Plan B	<u>\$ 2,718</u>
	<u>\$ 2,718</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year	MERS
2021	\$ 1,291
2022	1,477
2023	1,017
2023	655
	<u>\$ 4,440</u>

VILLAGE OF NAPOLEONVILLE

Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

NOTE 9 – PENSION AND RETIREMENT PLANS (continued)

Actuarial Assumptions

The actuarial assumptions used in the June 30, 2020 valuation was based on the results of an experience study, for the period July 1, 2013 through June 30, 2018.

A summary of the actuarial methods and assumptions used in determining the total pension liability for the pension plan as of June 30, 2020 is as follows:

	MERS – Plan B
Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Assumptions:	
Expected Remaining	
Service Lives	3 years
Investment Rate of Return	6.95%
Inflation Rate	2.50%
Mortality	<u>Annuitant and beneficiary mortality</u> - PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales. <u>Employee mortality</u> - PubG-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales. <u>Disabled lives mortality</u> - PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale.
Salary Increases	7.4% for 1 to 4 years of service; 4.9% for more than 4 years of service
Cost of Living Adjustments	The System is authorized under state law to grant a cost of living increase to members who have been retired for at least one year. The adjustment cannot exceed 2% of the retiree’s original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. State law allows the System to grant an additional cost of living increase to all retirees and beneficiaries who are age sixty-five and above equal to 2% of the benefit being received on October 1, 1977, or the original benefit, if retirement commenced after that date.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimated ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

VILLAGE OF NAPOLEONVILLE

Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

NOTE 9 – PENSION AND RETIREMENT PLANS (continued)

The following table provides a summary of the best estimates of arithmetic/geometric real rates of return for each major asset class included in each of the Retirement System target asset allocations as of June 30, 2019:

Asset Class	Target Allocation MERS	Long-Term Expected Real Rate of Return MERS
Public equity	50.0%	2.33%
Public fixed income	35.0%	1.67%
Alternatives	15.0%	0.40%
Total	100.0%	4.40%
Inflation		2.60%
Expected Arithmetic Nominal Return		7.00%

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for MERS was 6.95% for the year ended June 30, 2020.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the Village's proportionate share of the Net Pension Liability (NPL) using the discount rate for the Retirement System as well as what the Village's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by the Retirement Systems:

	1.0% Decrease	Current Discount Rate	1.0% Increase
MERS Rates	5.95%	6.95%	7.95%
Village of Napoleonville Share of NPL	\$ 56,083	\$ 42,130	\$ 30,324

VILLAGE OF NAPOLEONVILLE

Napoleonville, Louisiana

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

NOTE 10 – RISK MANAGEMENT

The Village is exposed to various risks of loss related to theft, damage, or destruction of assets, torts, injuries, natural disasters, and many other unforeseeable events. The Village purchases commercial insurance policies and bonds for any and all claims related to the aforementioned risks. The Village’s payment of the insurance policy deductible is the only liability associated with these policies and bonds. There has been no significant decrease in insurance coverage from the prior year, and the amount of settlements has not exceeded the insurance coverage for the past three years.

NOTE 11 – RECLASSIFICATIONS

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

NOTE 12 – COMPENSATION TO BOARD MEMBERS

Each member of the Board of Commissioners receives a per diem allowance for attending regular or special meetings of the Board. Each board member was paid the following amounts for meetings attended in 2020:

	<u>Amount</u>
Joyce Bell, Alderwoman	\$ 14,400
Kia Converse, Alderwoman	14,400
Velma Jupiter, Alderwoman	<u>14,400</u>
Total	<u>\$ 43,200</u>

NOTE 13 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date the financial statements were available to be issued, June 30, 2021, and determined that there were no events that require disclosure.

No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

VILLAGE OF NAPOLEONVILLE
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>REVENUES</u>				
Taxes	\$ 248,500	\$ 210,000	\$ 238,328	\$ 28,328
Intergovernmental revenue:				
Federal, State and local grants	26,000	14,540	14,540	-
Charges for services	56,500	56,000	54,488	(1,512)
Fines and forfeitures	2,500	1,000	968	(32)
Licenses and permits	94,000	93,500	78,753	(14,747)
Rental income	4,000	2,500	2,650	150
Investment income	500	200	201	1
Miscellaneous	5,500	200	131	(69)
Total revenues	<u>437,500</u>	<u>377,940</u>	<u>390,059</u>	<u>12,119</u>
<u>EXPENDITURES</u>				
Current:				
General government	224,850	206,550	206,232	318
Public safety	88,950	52,350	44,325	8,025
Streets and drainage	25,250	20,900	21,167	(267)
Sanitation	59,500	61,000	61,267	(267)
Culture and recreation	13,300	15,100	14,270	830
Capital Outlay	25,000	13,540	13,540	-
Total expenditures	<u>436,850</u>	<u>369,440</u>	<u>360,801</u>	<u>8,639</u>
Excess of Revenues over expenditures	650	8,500	29,258	20,758
Fund Balance, Beginning of Year	<u>140,695</u>	<u>124,613</u>	<u>124,613</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 141,345</u>	<u>\$ 133,113</u>	<u>\$ 153,871</u>	<u>\$ 20,758</u>

VILLAGE OF NAPOLEONVILLE
SCHEDULE OF PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2020 (1)

Municipal Employees' Retirement System of Louisiana (Plan B)

As of the fiscal year ended (2):	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Employer's Proportion of the Net Pension Liability (Assets)	0.0465%	0.0458%	0.0499%	0.0418%	0.0430%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 42,130	\$ 40,052	\$ 42,234	\$ 36,136	\$ 35,651
Employer's Covered-Employee Payroll	\$ 35,700	\$ 35,000	\$ 37,000	\$ 31,000	\$ 31,651
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	118.0112%	114.4343%	114.1459%	116.5677%	112.6378%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.2607%	66.1388%	65.5981%	63.4909%	63.3376%

(1) Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

(2) The amounts presented have a measurement date of MERS June 30th fiscal year end.

VILLAGE OF NAPOLEONVILLE

SCHEDULE OF PLAN CONTRIBUTIONS

LAST TEN FISCAL YEARS (1)

Municipal Employees' Retirement System of Louisiana (Plan B)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 5,044	\$ 4,900	\$ 4,769	\$ 3,980	\$ 3,178	\$ 2,945
Contributions in relation to contractually required contributions	<u>5,208</u>	<u>4,900</u>	<u>4,814</u>	<u>4,129</u>	<u>3,178</u>	<u>2,947</u>
Contribution deficiency (excess)	(164)	-	(45)	(149)	-	(2)
Employer's Covered Employee Payroll	\$ 36,400	\$ 35,000	\$ 35,000	\$ 31,000	\$ 31,000	\$ 31,000
Contributions as a % of Covered Employee Payroll	13.86%	14.00%	13.63%	12.84%	10.25%	9.50%

(1) Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

VILLAGE OF NAPOLEONVILLE
SCHEDULE OF COMPENSATION, BENEFITS
AND OTHER PAYMENTS TO CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED DECEMBER 31, 2020

CHIEF EXECUTIVE OFFICER: Ron Animashaun, Mayor

Purpose	Amount
Salary	\$ 37,200
Benefits-Insurance	2,106
Cellphone provided by Village	1,482
Continuing Education	310
Membership Dues	<u>330</u>
Total	<u>\$ 41,428</u>

VILLAGE OF NAPOLEONVILLE
SCHEDULE OF LOUISIANA COMMUNITY
DEVELOPMENT BLOCK GRANT (LCDBG) ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

BALANCE SHEET

ASSETS	
Cash - LCDBG	\$ 106
Grant receivable	87,301
Total Assets	87,407
LIABILITIES	
Contracts payable	57,852
Retainage payable	29,449
	87,301
FUND BALANCE	\$ 106

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE**

REVENUES:	
LCDBG Program	\$ 678,795
Total revenues	678,795
EXPENDITURES:	
Administration	35,566
Engineering	24,990
Construction	618,239
Total expenditures	678,795
Excess (deficiency) of revenues over expenditures	-
Fund balance - beginning	106
Fund balance - ending	\$ 106

VILLAGE OF NAPOLEONVILLE
JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DIBURSING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR SESSION
CASH BASIS PRESENTATION
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>First Six Month Period Ended June 30, 2020</u>	<u>Second Six Month Period Ended December 31, 2020</u>
Beginning Balance of Amounts Collected (i.e. cash on hand)	<u>\$ -</u>	<u>\$ -</u>
Add: Collections		
Criminal Court Costs/Fees	76	76
Criminal Fines - Other	273	543
Subtotal Collections	<u>349</u>	<u>619</u>
Less: Disbursements To Governments & Nonprofits:		
Louisiana Commission on Law Enforcement - Criminal Court Costs/Fees	4	4
Treasurer, State of Louisiana CMIS - Criminal Court Costs/Fees	2	2
Louisiana Department of Health and Hospitals TH/SCI T.F. - Criminal Court Costs/Fees	10	10
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	-	-
Self-Disbursed Village of Napoleonville, Criminal Fines - Other	273	543
Self-Disbursed Village of Napoleonville, Criminal Court Cost/Fees	60	60
Subtotal Disbursements/Retainage	<u>349</u>	<u>619</u>
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	<u>\$ -</u>	<u>\$ -</u>



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

To the Honorable Ron Animashaun
and Members of the Village Council
Village of Napoleonville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and the major fund of the Village of Napoleonville, Louisiana, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Village of Napoleonville, Louisiana's basic financial statements, and have issued our report thereon dated June 30, 2021.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Napoleonville, Louisiana'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 determination of financial statement amounts. 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 test disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Diez, Dupuy & Ruiz

Gonzales, Louisiana

June 30, 2021

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana

SCHEDULE OF FINDINGS AND RESPONSES

YEAR ENDED DECEMBER 31, 2020

SUMMARY OF AUDITOR'S RESULTS

1. The independent auditors' report expresses an unmodified opinion on whether the financial statements of The Village of Napoleonville were prepared in accordance with GAAP.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Village of Napoleonville, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

FINDINGS – FINANCIAL STATEMENT AUDIT

None

NONCOMPLIANCE WITH STATE LAWS AND REGULATIONS

None

VILLAGE OF NAPOLEONVILLE
Napoleonville, Louisiana

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED DECEMBER 31, 2020

FINDINGS – FINANCIAL STATEMENT AUDIT

None

NONCOMPLIANCE WITH STATE LAWS AND REGULATIONS

2019-001 Budget Law

Observation: R.S. 38:2234 provides that the governing authority to amend the budget when total revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent or more.

Condition: Actual revenues in the General Fund had an unfavorable variance of 5.29% to the final budgeted amounts.

Current year status: Similar finding not reported in current year.

SUPPLEMENTAL INFORMATION REQUIRED BY USDA

VILLAGE OF NAPOLEONVILLE

DECEMBER 31, 2020

Sewer Customers and Rates

At December 31, 2020, the Village billed the following number of customers:

<u>Rate Code/Description</u>	<u>Customers</u>	<u>Rate</u>
Type 1		\$30.00 per month flat rate
Type 2		\$40.00 per month flat rate
Aysenne Rental Partnership	1	\$800.00 per month flat rate
Assumption Properties II	1	\$400.00 per month flat rate
Napoleonville Primary School		\$425.00 per month flat rate
Napoleonville Middle School		\$425.00 per month flat rate

Aged Accounts Receivable

At December 31, 2020, the Village's accounts receivable was as follows:

<u>Balances</u>	<u>Customers</u>	<u>Aging</u>
\$9,240	291	Current
3,476	25	31 - 60 Days
1,598	19	61 - 90 Days
-	0	Over 91 Days
<u>\$14,314</u>		

Insurance in Force

<u>Issuer/Insurer</u>	<u>Type of Insurance</u>	<u>Limit Description</u>	<u>Coverage</u>	<u>Effective Dates</u>
Louisiana Municipal Risk Management Agency	Commercial General Liability	Sewer Plant	\$ 500,000	5/1/2020 to 5/1/2021

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