

Village of Mooringsport, Louisiana
Financial Statements with Auditors' Report
As of and for the Year Ended June 30, 2021

Village of Mooringsport, Louisiana
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Independent Auditors' Report

The Honorable Mayor, William C. Coffman
and the Village Council
Village of Mooringsport
Mooringsport, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Mooringsport, Louisiana, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Village of Mooringsport, Louisiana, as of June 30, 2021, 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 budgetary comparison information on page 25 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 the 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 any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Mooringsport's basic financial statements. The other supplementary information schedules listed in the table of contents and shown on pages 26 – 28 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. As disclosed in Note 1 to the financial statements, the Village of Mooringsport prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. The other supplementary information schedule, Justice System Funding Schedule, shown on page 29, is presented for the purposes of additional analysis and is not a required part of the basic financial statements. This schedule is presented to satisfy the requirements of Act 87 of the 2020 Regular Legislative Session (R.S. 24:515.2) and must be presented on the cash basis of accounting which differs significantly from those principles used to present financial statements in accordance with accounting principles generally accepted in the United States of America. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information

has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the Justice System Funding Schedule, shown on page 29, is fairly stated in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2021, on our consideration of the Village of Mooringsport, 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 Mooringsport'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 Mooringsport's internal control over financial reporting and compliance.



Cook & Morehart
Certified Public Accountants
December 30, 2021

Village of Mooringsport
Mooringsport, Louisiana
Statement of Net Position
June 30, 2021

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets			
Cash	\$ 76,625	\$ 80,203	\$ 156,828
Investments	96,310		96,310
Receivables	22,609	36,480	59,089
Prepaid items		2,036	2,036
Internal balances	3,203	(3,203)	
Restricted cash - customer deposits		21,314	21,314
Restricted investments - customer deposits		26,510	26,510
Capital assets not being depreciated	86,819	5,307	92,126
Depreciable capital assets, net	<u>179,855</u>	<u>983,481</u>	<u>1,163,336</u>
Total Assets	<u>465,421</u>	<u>1,152,128</u>	<u>1,617,549</u>
Liabilities			
Accounts payable and accrued expenses	13,934	31,602	45,536
Payable from restricted assets:			
Customer deposits		<u>47,824</u>	<u>47,824</u>
Total liabilities	<u>13,934</u>	<u>79,426</u>	<u>93,360</u>
Net Position			
Net investment in capital assets	266,674	988,788	1,255,462
Unrestricted	<u>184,813</u>	<u>83,914</u>	<u>268,727</u>
Total net position	<u>\$ 451,487</u>	<u>\$ 1,072,702</u>	<u>\$ 1,524,189</u>

The accompanying notes are an integral part of this statement.

Village of Mooringsport
Mooringsport, Louisiana
Statement of Activities
For the Year Ended June 30, 2021

	<u>Program Revenues</u>				<u>Net (Expenses) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Functions/Programs:							
Governmental activities:							
General government	\$ 158,141	\$	\$	\$	\$ (158,141)	\$	\$ (158,141)
Public safety	35,180	13,242			(21,938)		(21,938)
Total governmental activities	<u>193,321</u>	<u>13,242</u>			<u>(180,079)</u>		<u>(180,079)</u>
Business-type activities							
Water and Sewer	394,797	332,170	25,825	261,685		224,883	224,883
Total business-type activities	<u>394,797</u>	<u>332,170</u>	<u>25,825</u>	<u>261,685</u>		<u>224,883</u>	<u>224,883</u>
Total government	<u>\$ 588,118</u>	<u>\$ 345,412</u>	<u>\$ 25,825</u>	<u>\$ 261,685</u>	<u>\$ (180,079)</u>	<u>\$ 224,883</u>	<u>\$ 44,804</u>
General revenues:							
					21,112		21,112
					64,417		64,417
					34,726		34,726
					29,961		29,961
					9,900		9,900
					2,314	762	3,076
					26,472		26,472
					<u>188,902</u>	<u>762</u>	<u>189,664</u>
					8,823	225,645	234,468
					442,664	847,057	1,289,721
					<u>\$ 451,487</u>	<u>\$ 1,072,702</u>	<u>\$ 1,524,189</u>

The accompanying notes are an integral part of this statement.

Village of Mooringsport
Mooringsport, Louisiana
Balance Sheet
Governmental Fund
June 30, 2021

Assets	<u>General</u>
Cash	\$ 76,625
Investments	96,310
Receivables	22,609
Due from other funds	<u>3,203</u>
Total Assets	<u>\$ 198,747</u>
Liabilities and Fund Balance	
Liabilities:	
Accounts payable and accrued expenses	<u>\$ 13,934</u>
Total Liabilities	<u>13,934</u>
Fund balance:	
Assigned for cemetery	57,939
Unassigned	<u>126,874</u>
Total Fund Balance	<u>184,813</u>
Total Liabilities and Fund Balances	<u>\$ 198,747</u>

The accompanying notes are an integral part of this statement.

Village of Mooringsport
Mooringsport, Louisiana
Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
June 30, 2021

Fund Balance - Governmental Fund	\$ 184,813
Amounts reported for government activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	<u>266,674</u>
Net Position of Governmental Activities	<u>\$ 451,487</u>

The accompanying notes are an integral part of this statement.

Village of Mooringsport
Mooringsport, Louisiana
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
For the Year Ended June 30, 2021

	General
Revenues:	
Taxes	
Sales tax	\$ 64,417
Franchise tax	34,726
Ad Valorem	21,112
Licenses and permits	29,961
Fines and forfeitures	13,242
Lease income	9,900
Investment earnings	2,314
Other revenues	26,472
Total revenues	202,144
 Expenditures:	
Current	
General government	143,678
Public safety	29,663
Total expenditures	173,341
 Net change in fund balance	28,803
 Fund balance, beginning of year	156,010
 Fund balance, end of year	\$ 184,813

The accompanying notes are an integral part of this statement.

Village of Mooringsport
Mooringsport, Louisiana
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in the Fund Balance of the Governmental Fund to the Statement of Activities
For the Year Ended June 30, 2021

Net change in fund balance - governmental fund \$ 28,803

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

Government funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays \$0 is exceeded by depreciation \$(19,980) in the current period. (19,980)

Change in Net Position of Governmental Activities \$ 8,823

The accompanying notes are an integral part of this statement.

Village of Mooringsport
Mooringsport, Louisiana
Statement of Net Position
Proprietary Fund
June 30, 2021

	Business-Type Activities <u>Enterprise Fund</u> <u>Water and Sewer Fund</u>
Assets	
Current assets	
Cash	\$ 80,203
Restricted cash - customer deposits	21,314
Restricted investments - customer deposits	26,510
Receivables	36,480
Prepaid expenses	2,036
Total current assets	<u>166,543</u>
Noncurrent assets	
Capital assets not being depreciated	5,307
Depreciable capital assets, net	983,481
Total noncurrent assets	<u>988,788</u>
Total assets	<u>1,155,331</u>
Liabilities	
Current liabilities	
Accounts payable and accrued expenses	31,602
Due to other funds	3,203
Payable from restricted assets:	
Customer deposits	47,824
Total liabilities	<u>82,629</u>
Net position	
Net investment in capital assets	988,788
Unrestricted	83,914
Total net position	<u>\$ 1,072,702</u>

The accompanying notes are an integral part of this statement.

Village of Mooringsport
Mooringsport, Louisiana
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2021

	Business-Type Activities Enterprise Fund
	Water and Sewer Fund
Operating Revenues	
Charges for services	\$ 327,983
Other	4,187
Total operating revenues	332,170
Operating Expenses	
Personal services	137,602
Water purchases	106,045
Office expense	8,520
Professional fees	1,770
Utilities	17,516
Insurance	11,796
Repair and maintenance	47,540
Depreciation	64,008
Total operating expenses	394,797
Operating income (loss)	(62,627)
Non-Operating Revenues (Expenses)	
Intergovernmental	25,825
Interest income	762
Total non-operating revenues (expenses)	26,587
Net income (loss) before contributions	(36,040)
Capital contributions	261,685
Change in net position	225,645
Total net position, beginning of year	847,057
Total net position, end of year	\$ 1,072,702

The accompanying notes are an integral part of this statement.

Village of Mooringsport
Mooringsport, Louisiana
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021

	Business-Type Activities <u>Enterprise Fund</u> <u>Water and Sewer Fund</u>
Cash Flows from Operating Activities	
Receipts from customers and users	\$ 331,890
Payments to suppliers	(179,195)
Payments to employees	(137,146)
Net cash provided by operating activities	<u>15,549</u>
Cash Flows from Capital and Related Financing Activities	
Capital contributions	261,685
Purchases of fixed assets	(261,685)
Net cash provided by (used) in capital and related financing activities	<u></u>
Cash Flows from Noncapital Financing Activities	
Grant Income	25,825
Repayment of due to general fund	(3,563)
Net cash provided by noncapital financing activities	<u>22,262</u>
Cash Flows from Investing Activities	
Purchase of investments	(717)
Interest income	762
Net cash provided by investing activities	<u>45</u>
Net increase in cash	37,856
Cash, beginning of year	<u>63,661</u>
Cash, end of year	<u>\$ 101,517</u>
Cash is reflected on the statement of net position as follows:	
Cash	\$ 80,203
Restricted cash - customer deposits	21,314
	<u>\$ 101,517</u>
Reconciliation of Operating Income(loss) to Net Cash Provided (used) by Operating Activities:	
Operating income (loss)	\$ (62,627)
Adjustments to Reconcile Operating Income (loss) to Net Cash Provided (used) by Operating Activities:	
Depreciation expense	64,008
(Increase) decrease in accounts receivable	(280)
(Increase) decrease prepaid expenses	(2,036)
Increase (decrease) in accounts payable	14,639
Increase (decrease) customer deposits	1,845
Net cash provided by operating activities	<u>\$ 15,549</u>

The accompanying notes are an integral part of this statement.

Village of Mooringsport
Mooringsport, Louisiana
Notes to the Financial Statements
June 30, 2021

Introduction

The Village of Mooringsport, Louisiana (The Village) was incorporated in 1934, under the provisions of the Lawrason Act. The Village is located in the Parish of Caddo.

Elected officials of the Village of Mooringsport are a mayor, five (5) councilmen, and a chief of police, who are elected every four years. The affairs of the Village are conducted and managed by the mayor and the councilmen.

During the year ended June 30, 2015, the Mayor and Board of Alderman of the Town of Mooringsport sent a resolution to the State of Louisiana, Executive Department, requesting a change in classification of Mooringsport from a Town to a Village in accordance with R.S. 33:342 (A). The Governor of the State of Louisiana, through Proclamation No. 100 BJ 2015 dated June 30, 2015 changed the classification of Mooringsport from a Town to a Village.

(1) Summary of Significant Accounting Policies

The Village of Mooringsport's financial statements are prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Village of Mooringsport are discussed below.

A. Reporting Entity

As the municipal governing authority, for reporting purposes, the Village of Mooringsport is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (the Village of Mooringsport), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the Village of Mooringsport are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB established criteria for determining which component units should be considered part of the Village of Mooringsport for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Village to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Village.
2. Organizations for which the Village does not appoint a voting majority but are fiscally dependent on the Village.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

(Continued)

Village of Mooringsport
Mooringsport, Louisiana
Notes to the Financial Statements
June 30, 2021
(Continued)

In addition, the GASB states that a legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if *all* of the following criteria are met:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.
2. The primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

In addition, other organizations should be evaluated as potential component units if they are closely related to, or financially integrated with, the primary government.

Based on the criteria described above, there are no component units to be included as part of the reporting entity.

B. Basic Financial Statements – Government-Wide Statements

The Village of Mooringsport's basic financial statements include both government-wide (reporting the funds maintained by the Village of Mooringsport as a whole) and fund financial statements (reporting the Village of Mooringsport's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Village's general fund is classified as governmental activities. The Village's water and sewer services are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental activities and business-type activities columns are presented on a consolidated basis by column and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables, as well as long-term debt and obligations. The Village of Mooringsport's net position is reported in three parts – invested in capital assets, net of related debt; restricted net position; and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village of Mooringsport's functions. The functions are also supported by general government revenues (sales and use taxes, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating, and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. 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. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

(Continued)

Village of Mooringsport
Mooringsport, Louisiana
Notes to the Financial Statements
June 30, 2021
(Continued)

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 the proprietary fund's principal ongoing operations of providing water and sewer services.

The net costs (by function) are normally covered by general revenue (sales and use taxes, certain intergovernmental revenues, interest income, etc.).

This government-wide focus is more on the sustainability of the Village of Mooringsport as an entity and the change in the Village of Mooringsport's net assets resulting from the current year's activities.

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of the Village of Mooringsport are recorded in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Village of Mooringsport:

1. Governmental Funds – the focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental fund of the Village of Mooringsport:
 - a. General fund is the general operating fund of the Village of Mooringsport. It is used to account for all financial resources except those required to be accounted for in another fund.
2. Proprietary Funds – the focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Village:
 - a. Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges, or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of fund category) for the determination of major funds.

(Continued)

Village of Mooringsport
Mooringsport, Louisiana
Notes to the Financial Statements
June 30, 2021
(Continued)

The following major funds are presented in the fund financial statements:

General Fund – accounts for all financial resources except those required to be accounted for in another fund.

Enterprise Fund – accounts for the provision of water and sewer services of the Village.

D. Basis of Accounting

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

1. Accrual:

Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under modified accrual basis of accounting, revenues are recorded when susceptible to accrual: i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

E. Cash, Cash Equivalents, and Investments

Cash includes amounts in petty cash, demand deposits, interest bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Village may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Investments are limited by R.S. 33:2955 and the Village's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

F. Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

(Continued)

Village of Mooringsport
Mooringsport, Louisiana
Notes to the Financial Statements
June 30, 2021
(Continued)

Buildings and improvements	10–40 years
Land improvements	10–30 years
Infrastructure	25–50 years
Furniture and equipment	5–15 years
Vehicles	5–15 years
Other equipment	5–10 years
Water and sewer systems	5–40 years

GASB requires the Village to report and depreciate new infrastructure assets effective July 1, 2003. Infrastructure assets include roads, bridges, traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Village. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure is not required.

G. Revenues

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Revenues from ad valorem taxes are budgeted in the year billed. Sales tax revenues are recorded in the period in which the underlying exchange has occurred. Fines, forfeitures, licenses, and permits are recognized in the period they are collected. Interest income on demand and time deposits is recorded when earned. Federal and state grants are recorded when the Village is entitled to the funds.

H. Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position invested in capital assets, net of related debt, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Village's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

I. Sales Taxes

The Village receives a one (1) percent sales and use tax with the net proceeds, after deducting costs of collection and administration, dedicated to construction, acquiring, extending, improving and/or maintaining drainage facilities, streets, street lighting facilities, bridges, sidewalks, waterworks, sewers and sewer disposal works, recreational facilities, public parks, public buildings and equipment, payment of salaries of municipal employees, maintaining and operating the municipal police department including the purchase of equipment thereof, or for any one or more of said purpose, title to which improvements shall be in the public.

(Continued)

Village of Mooringsport
Mooringsport, Louisiana
Notes to the Financial Statements
June 30, 2021
(Continued)

J. Interfund Activity

Interfund activity is reported as either loans, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

K. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

L. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities in the statement of net position. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental funds 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 financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. Bad Debts

The Village uses the direct charge-off method of accounting for water and sewer system receivables. Although this method is not in accordance with generally accepted accounting principles, the overall effect on the financial statements is immaterial.

N. Capitalized Interest

The Village capitalizes net interest costs and interest earned as part of the cost of constructing various water and sewer projects when material.

O. Statement of Cash Flows

For the purposes of the Statement of Cash Flows, the Water and Sewer Funds consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

(Continued)

Village of Mooringsport
Mooringsport, Louisiana
Notes to the Financial Statements
June 30, 2021
(Continued)

P. Fund Balance

GASB has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below.

1. Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form, such as inventory or prepaid expenses, or (b) legally or contractually required to be maintained intact, such as a trust that must be retained in perpetuity.
2. Restricted fund balances are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
3. Committed fund balances include amounts that can be used only for the specific purposes as a result of constraints imposed by the Village Council (the Village's highest level of decision making authority). Committed amounts cannot be used for any other purpose unless the board of aldermen removes those constraints by taking the same type of action (i.e. legislation, resolution, ordinance).
4. Assigned fund balances are amounts that are constrained by the Village's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by the Mayor, an appointed body or official the Village Council has delegated the authority to assign, modify, or rescind amounts to be used for specific purposes.
5. Unassigned fund balance are the residual classification for the Village's general fund and include all spendable amounts not contained in the other classifications.

The Village's policy is to apply expenditures against nonspendable fund balances, restricted fund balances, committed fund balances, assigned fund balances, and unassigned fund balances, in that order.

The calculation of fund balance amounts begins with the determination of nonspendable fund balances. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purpose amounts exceeds the positive fund balance for the non-general fund.

Q. Postretirement Benefits

The Village provides no postretirement benefits to its employees.

R. Compensated Absences

The Village provides for leave for its full time employees, but does not allow any carry forward of that time not used during the year.

(Continued)

Village of Mooringsport
Mooringsport, Louisiana
Notes to the Financial Statements
June 30, 2021
(Continued)

S. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. At this time, the Village has no transactions that meet the definition of deferred outflows of resources.

In addition to liabilities, the statement of net position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. At this time, the Village has no transactions that meet the definition of deferred inflows of resources.

T. Fair Value Measurements

Generally accepted accounting principles require disclosure to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1 inputs – The valuation is based on quoted market prices for identical assets or liabilities traded in active markets;

Level 2 inputs – The valuation is based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active, and inputs other than quoted prices that are observable for the asset or liability;

Level 3 inputs – The valuation is determined by using the best information available under the circumstances and might include the government's own data but should adjust those data if (a) reasonably available information indicates that other market participants would use different data or (b) there is something particular to the government that is not available to other market participants.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on lowest level of any input that is significant to the fair value measurement.

(2) Budgets

The Village follows the following budget practices:

Formal budgetary accounting is employed as a management control. Village of Mooringsport prepares and adopts a budget each year for its general and utility funds in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). All budget appropriations lapse at year end. There was one budget amendment during the year ended June 30, 2021.

(Continued)

Village of Mooringsport
Mooringsport, Louisiana
Notes to the Financial Statements
June 30, 2021
(Continued)

(3) Cash, Cash Equivalents, and Investments

At June 30, 2021, the Village has cash, cash equivalents, and investments (book balances), totaling \$300,962 as detailed below.

A. Cash and Cash Equivalents

Cash and cash equivalents at June 30, 2021 (book balances) totaled \$178,142, of which \$21,314 is shown as a restricted asset. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the 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.

B. Investments

At June 30, 2021, the Village had investments totaling \$122,820, of which \$26,510 is shown as a restricted asset.

Certificates of deposit	\$ <u>122,820</u>
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The certificates of deposit have initial maturities greater than 90 days and are carried at cost, which approximates market. The investments are presented in the financial statements utilizing level 2 measurements.

C. Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of June 30, 2021, 100% of the Village's bank balances were secured by FDIC insurance.

(4) Receivables

Receivables at June 30, 2021 are as follows:

Governmental activities:	
Sales and use taxes	\$ 5,760
Licenses and permits	9,496
Franchise	<u>7,353</u>
	<u>22,609</u>
Business-type activities:	
Water and sewer charges	<u>36,480</u>
	<u>36,480</u>
	<u>\$ 59,089</u>

(Continued)

Village of Mooringsport
Mooringsport, Louisiana
Notes to the Financial Statements
June 30, 2021
(Continued)

(5) Restricted Assets - Enterprise Fund

Certain resources are set a side for specific purposes and are classified as restricted assets on the balance sheet because their use is limited. Restricted assets as of June 30, 2021 are as follows:

Water and Sewer Fund

Customer meter deposits \$ 47,824

(6) Capital Assets

Capital assets and depreciation activity as of and for the year ended June 30, 2021 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated				
Land	\$ 86,819	\$	\$	\$ 86,819
Total capital assets, not being depreciated	86,819			86,819
Capital assets, being depreciated				
Buildings and other improvements	353,706			353,706
Machinery and equipment	134,461			134,461
Total capital assets being depreciated	488,167			488,167
Less accumulated depreciation for:				
Buildings and other improvements	(185,112)	(7,893)		(193,005)
Machinery and equipment	(103,220)	(12,087)		(115,307)
Total accumulated depreciation	(288,332)	(19,980)		(308,312)
Total capital assets being depreciated, net	199,835	(19,980)		179,855
Governmental activities capital assets, net	\$ 286,654	\$ (19,980)	\$	\$ 266,674

(Continued)

Village of Mooringsport
Mooringsport, Louisiana
Notes to the Financial Statements
June 30, 2021
(Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital assets, not being depreciated				
Land	\$ 5,307	\$	\$	\$ 5,307
Construction in progress	45,160		(45,160)	
Total capital assets, not being depreciated	<u>50,467</u>		<u>(45,160)</u>	<u>5,307</u>
Capital assets, being depreciated				
Distribution system	2,614,920	306,845		2,921,765
Machinery and equipment	40,366			40,366
Total capital assets, being depreciated	<u>2,655,286</u>	<u>306,845</u>		<u>2,962,131</u>
Less accumulated depreciation for:				
Distribution system	(1,879,679)	(61,512)		(1,941,191)
Machinery and equipment	(34,963)	(2,496)		(37,459)
Total accumulated depreciation	<u>(1,914,642)</u>	<u>(64,008)</u>		<u>(1,978,650)</u>
Total capital assets being depreciated, net	<u>740,644</u>	<u>242,837</u>		<u>983,481</u>
Business-type activities capital assets, net	<u>\$ 791,111</u>	<u>\$ 242,837</u>	<u>\$ (45,160)</u>	<u>\$ 988,788</u>

Depreciation expense for the year ended June 30, 2021 was charged as follows:

Governmental activities:

General	\$ 14,463
Public safety	5,517
Total	<u>\$ 19,980</u>

Business-Type activities

Water and sewer	\$ 64,008
Total	<u>\$ 64,008</u>

(Continued)

Village of Mooringsport
Mooringsport, Louisiana
Notes to the Financial Statements
June 30, 2021
(Continued)

(7) Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village attempts to minimize risk from significant losses through the purchase of insurance.

(8) Subsequent Events

Subsequent events have been evaluated through December 30, 2021, the date the financial statements were available to be issued.

(9) Levied Taxes

The Village levies taxes on real and business personal property located within its boundaries. The Parish Tax Assessor assesses the property values and prepares the Village's property tax roll. The Village bills and collects its own property taxes. Ad valorem taxes are levied and billed to the taxpayers in December, and are payable upon receipt of notice. Ad valorem taxes attach as an enforceable lien on property as of December 31, of each year. Taxes of 10.44 mills were levied and were dedicated for general operating purposes.

(10) Interfund Activity

At June 30, 2021 the enterprise fund owed the general fund \$3,203.

(11) Lease Revenue

At June 30, 2021, the Village of Mooringsport leased certain real estate owned by the Village pursuant to a land lease agreement with a private service provider.

The future rental receipts for the years subsequent to June 30, 2021, under the existing agreement are as follows:

Year Ending June 30,	Amount
2022	\$ 9,600
2023	9,600
2024	3,200
	\$ 22,400

Total lease income under this agreement for the year ended June 30, 2021 was \$8,800. The initial term of the agreement shall be for five (5) years and shall automatically be extended for four (4) additional five (5) year terms unless the Village of Mooringsport terminates the agreement at the end of the then-current term by giving the lessor written notice of the intent to terminate at least three (3) months prior to the end of the then-current term.

(12) Uncertainty

As a result of the COVID-19 Coronavirus, economic uncertainties have arisen which are likely to negatively impact financial resources. While the duration on the economic impact is expected to be temporary, there is considerable uncertainty around the duration. The related financial impact and duration cannot be reasonably estimated at this time.

Village of Mooringsport
Mooringsport, Louisiana
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP) and Actual
General Fund
For the Year Ended June 30, 2021

	Budgeted Amount		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Sales tax	\$ 48,780	\$ 46,000	\$ 64,417	\$ 18,417
Franchise tax	41,004	35,000	34,726	(274)
Ad valorem tax	20,556	20,556	21,112	556
License and permits	26,604	22,400	29,961	7,561
Fines and forfeitures	20,004	7,500	13,242	5,742
Investment earnings	294	294	2,314	2,020
Lease income	15,208	11,000	9,900	(1,100)
Miscellaneous	26,184	24,742	26,472	1,730
Total revenues	198,634	167,492	202,144	34,652
Expenditures				
Current				
General government	145,868	134,503	143,678	(9,175)
Public safety	49,282	30,612	29,663	949
Total expenditures	195,150	165,115	173,341	(8,226)
Net change in fund balance	3,484	2,377	28,803	26,426
Fund balance, beginning of year	156,010	156,010	156,010	
Fund balance, end of year	\$ 159,494	\$ 158,387	\$ 184,813	\$ 26,426

Village of Mooringsport
Mooringsport, Louisiana
Schedule of Compensation Paid to Council Members and Mayor
For the Year Ended June 30, 2021

Mayor:

William C. Coffman	\$	3,000
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Council:

William G. Moore		600
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Cynthia Clark		600
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Murray Moore		<u>600</u>
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Total	\$	<u><u>4,800</u></u>
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Village of Mooringsport
Mooringsport, Louisiana
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended June 30, 2021

Agency Head: William C. Coffman, Mayor

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 3,000

Village of Mooringsport
Mooringsport, Louisiana
Schedule of Revenue and Expenditures
LCDBG Contract Number 2000449709
For the Year Ended June 30, 2021

Revenue:

LCDBG funds	\$ 238,685
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Expenditures:

Public works - sewer:	
Engineering	15,260
Contractor	212,925

Administration:	
Adminstrative	<u>10,500</u>

Total expenditures	<u>238,685</u>
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Excess revenue over (under) expenditures	<u><u>\$</u></u>
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Village of Mooringsport
 Mooringsport, Louisiana
 Other Supplementary Information
 Justice System Funding Schedule
 Collecting/Disbursing Schedule
 As Required by Act 87 of the 2020 Regular Legislative Session
 For the Year Ended June 30, 2021

	July 2020 - December 2020	January 2021 - June 2021
Cash Basis Presentation		
Beginning Balance of Amounts Collected (i.e. cash on hand)	-	-
Add: Collections		
Criminal Fines - Other	4,320	8,922
Subtotal Collections	4,320	8,922
Less: Disbursements to Governments and Nonprofits		
Louisiana Commission on Law Enforcement - Criminal Fines - Other	23	132
Louisiana Supreme Court - Criminal Fines - Other	4	7
Louisiana Traumatic Head and Spinal Cord Injury Trust Fund - Criminal Fines - Other	35	60
State of Louisiana Treasurer - CMIS - Criminal Fines - Other	8	14
Less: Amounts Retained by Collecting Agency		
Amounts "Self-Disbursed" to Collecting Agency - Criminal Fines - Other	4,250	8,709
Subtotal Disbursements/Retainage	4,320	8,922
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	-	-
Ending Balance of "Partial Payments" Collected but not Disbursed	-	-

Other Information:

Ending Balance of Total Amounts Assessed but not yet Collected (i.e. receivable balance)	-	-
Total Waivers During the Fiscal Period (i.e. non-cash reduction of receivable balances, such as time served or community service)	-	-

COOK & MOREHART

Certified Public Accountants

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CERTIFIED PUBLIC ACCOUNTANTS

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

Independent Auditors' Report

The Honorable Mayor, William C. Coffman
and the Village Council
Village of Mooringsport
Mooringsport, Louisiana

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

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village of Mooringsport's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Mooringsport's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Mooringsport'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of current year audit findings as item 2021-1, that we consider to be a material weakness.

Compliance and Other Matters

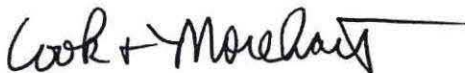
As part of obtaining reasonable assurance about whether Village of Mooringsport's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Village of Mooringsport's Response to Finding

Village of Mooringsport's response to the finding identified in our audit is described in the accompanying Schedule of Current Year Audit Findings. Village of Mooringsport's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



Cook & Morehart
Certified Public Accountants
December 30, 2021

Village of Mooringsport
Mooringsport, Louisiana
Summary Schedule of Prior Year Audit Findings
For Louisiana Legislative Auditor
June 30, 2021

Prior Year Findings

2020-1 Material Weakness – Segregation of Duties for Deposits and Collections

Criteria: Internal controls should be in place to adequately account the Village's deposits and collections, including proper segregation of duties.

Condition: The Village Clerk or assistant are the only employees that collect payments from customers and make the deposits.

Cause: The Village administrative office has only two employees, the Village Clerk and assistant clerk, for the collection of payments to the Village. Due to the size of the Village and economic limitations, proper segregation of duties is limited.

Effect: Due to the lack of segregation of duties, errors and /or irregularities could occur and not be detected.

Recommendation: It may not be cost effective or practical to correct the finding due to the economic limitations of the Village.

Current Status: Repeat finding for audit for year ended June 30, 2021.

2020-2 Finding – Budget

Criteria: The Local Government Budget Act requires the annual budgets be amended when actual plus projected expenditures or revenues exceed budgeted amounts by more than 5%.

Condition: Actual expenditures and other financing uses for the General Fund exceeded budgeted expenditures by more than 5%.

Cause: The Village did not consider all expenditures when amending the budget for the year ended June 30, 2020.

Effect: The Village was not in compliance with the Local Government Budget Act.

Recommendation: We recommend a proper monitoring of budget to actual comparisons throughout the year and that budgets be appropriately amended when actual plus projected expenditures and other financing uses exceed budgeted amounts by more than 5%.

Current Status: No repeat finding for audit for year ended June 30, 2021.

Village of Mooringsport
Mooringsport, Louisiana
Schedule of Current Year Audit Findings
For Louisiana Legislative Auditor
June 30, 2021

Current Year Findings

2021-1 Material Weakness – Segregation of Duties for Deposits and Collections

Criteria: Internal controls should be in place to adequately account the Village's deposits and collections, including proper segregation of duties.

Condition: The Village Clerk or assistant are the only employees that collect payments from customers and make the deposits.

Cause: The Village administrative office has only two employees, the Village Clerk and assistant clerk, for the collection of payments to the Village. Due to the size of the Village and economic limitations, proper segregation of duties is limited.

Effect: Due to the lack of segregation of duties, errors and /or irregularities could occur and not be detected.

Recommendation: It may not be cost effective or practical to correct the finding due to the economic limitations of the Village.

Management Response: The Village of Mooringsport is a small village with limited funds. Due to the size of our village and the work load involved, it is not feasible to hire more employees to run our business office.

Name of Contact Person: William C. Coffman, Mayor