

VILLAGE OF MOREAUVILLE, LOUISIANA

Financial Report

Year Ended June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

The Honorable Beryl Holmes, Mayor
and Members of the Board of Aldermen
Village of Moreauville, Louisiana

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Moreauville, Louisiana, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Village of Moreauville, Louisiana's basic financial statements as listed in the table of contents.

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 Moreauville, Louisiana as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village of Moreauville, Louisiana, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Village of Moreauville, Louisiana's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village of Moreauville, Louisiana's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that budgetary comparison information, schedule of employer's share of net pension liability, and schedule of employer contributions on pages 39 through 44 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries with management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any

assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Village of Moreauville 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 Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Moreauville, Louisiana's basic financial statements. The accompanying justice system funding schedule on page 50 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the justice system funding schedule is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the budgetary comparison schedules on pages 47 through 49, the schedule of number of utility customers, schedule of insurance in force, comparative schedule of revenues and expenses, utility rate schedule and the accounts receivable aging schedule on pages 51 through 55 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2023, on our consideration of the Village of Moreauville, Louisiana's internal control over financial reporting and 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 Moreauville, 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 Moreauville, Louisiana's internal control over financial reporting and compliance.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Alexandria, Louisiana
October 18, 2023

BASIC FINANCIAL STATEMENTS

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

VILLAGE OF MOREAUVILLE, LOUISIANA

Statement of Net Position
June 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 497,396	\$ 202,159	\$ 699,555
Due from other governmental units	4,108	6,600	10,708
Receivables, net	32,516	75,906	108,422
Accrued interest	189	1,581	1,770
Inventory	-	8,051	8,051
Prepaid items	28,410	14,705	43,115
Restricted assets:			
Cash and cash equivalents	-	131,956	131,956
Capital assets:			
Nondepreciable	24,863	23,655	48,518
Depreciable capital assets, net	<u>791,397</u>	<u>2,073,125</u>	<u>2,864,522</u>
Total assets	<u>1,378,879</u>	<u>2,537,738</u>	<u>3,916,617</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pension	<u>188,306</u>	<u>-</u>	<u>188,306</u>
LIABILITIES			
Accounts and other payables	13,411	23,963	37,374
Due to other governmental units	5,318	-	5,318
Customers' deposits	-	131,956	131,956
Long-term liabilities:			
Portion due within one year -			
Lease payable	-	39,919	39,919
Portion due after one year -			
Lease payable	-	83,938	83,938
Net pension liability	<u>197,996</u>	<u>-</u>	<u>197,996</u>
Total liabilities	<u>216,725</u>	<u>279,776</u>	<u>496,501</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pension	3,087	-	3,087
Deferred inflows of resources related to grant revenues	<u>317,222</u>	<u>-</u>	<u>317,222</u>
Total deferred inflows of resources	<u>320,309</u>	<u>-</u>	<u>320,309</u>
NET POSITION			
Net investment in capital assets	816,260	1,972,923	2,789,183
Restricted for:			
Public safety and public works	56,014	-	56,014
Unrestricted net position	<u>157,877</u>	<u>285,039</u>	<u>442,916</u>
Total net position	<u>\$ 1,030,151</u>	<u>\$ 2,257,962</u>	<u>\$ 3,288,113</u>

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

VILLAGE OF MOREAUVILLE, LOUISIANA

Statement of Activities
For the Year Ended June 30, 2023

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government -							
Finance and administrative	\$ 286,676	\$ -	\$ -	\$ -	\$ (286,676)	\$ -	\$ (286,676)
Public safety -							
Police	311,895	28,111	10,960	26,539	(246,285)	-	(246,285)
Fire	19,753	-	-	-	(19,753)	-	(19,753)
Recreation	52,117	13,400	-	-	(38,717)	-	(38,717)
Public works	32,449	-	-	4,358	(28,091)	-	(28,091)
Total governmental activities	<u>702,890</u>	<u>41,511</u>	<u>10,960</u>	<u>30,897</u>	<u>(619,522)</u>	<u>-</u>	<u>(619,522)</u>
Business-type activities:							
Gas and water	688,521	746,520	-	-	-	57,999	57,999
Sewer	205,370	117,030	-	3,401	-	(84,939)	(84,939)
Total business-type activities	<u>893,891</u>	<u>863,550</u>	<u>-</u>	<u>3,401</u>	<u>-</u>	<u>(26,940)</u>	<u>(26,940)</u>
Total	<u>\$ 1,596,781</u>	<u>\$ 905,061</u>	<u>\$ 10,960</u>	<u>\$ 34,298</u>	<u>(619,522)</u>	<u>(26,940)</u>	<u>(646,462)</u>
General revenues:							
Taxes -							
Property taxes, levied for general purposes					24,979	-	24,979
Sales and use taxes, levied for general purposes					244,650	-	244,650
Franchise taxes					55,922	-	55,922
Licenses and permits					55,263	-	55,263
Nonemployer pension contributions					4,309	-	4,309
Interest and investment earnings					53	394	447
Miscellaneous					45,045	-	45,045
Transfers					100,000	(100,000)	-
Total general revenues					<u>530,221</u>	<u>(99,606)</u>	<u>430,615</u>
Change in net position					(89,301)	(126,546)	(215,847)
Net position - beginning					<u>1,119,452</u>	<u>2,384,508</u>	<u>3,503,960</u>
Net position - ending					<u>\$ 1,030,151</u>	<u>\$ 2,257,962</u>	<u>\$ 3,288,113</u>

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

FUND FINANCIAL STATEMENTS (FFS)

VILLAGE OF MOREAUVILLE, LOUISIANA

Balance Sheet
Governmental Funds
June 30, 2023

	General	Sales Tax Fund	Totals
ASSETS			
Cash and cash equivalents	\$ 452,299	\$ 26,788	\$ 479,087
Interest-bearing deposits	3,234	15,075	18,309
Receivables:			
Taxes	11,935	19,456	31,391
Due from other governmental agencies	4,108	-	4,108
Accrued interest	-	189	189
Other	1,125	-	1,125
Prepaid items	28,410	-	28,410
Total assets	<u>\$ 501,111</u>	<u>\$ 61,508</u>	<u>\$ 562,619</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 13,235	\$ 176	\$ 13,411
Due to other governmental agencies	-	5,318	5,318
Total liabilities	<u>13,235</u>	<u>5,494</u>	<u>18,729</u>
Deferred Inflows Of Resources			
Unearned grant revenues	<u>317,222</u>	<u>-</u>	<u>317,222</u>
Fund balances:			
Nonspendable- prepaid	28,410	-	28,410
Restricted for public safety and public works	-	56,014	56,014
Unassigned	<u>142,244</u>	<u>-</u>	<u>142,244</u>
Total fund balances	<u>170,654</u>	<u>56,014</u>	<u>226,668</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 501,111</u>	<u>\$ 61,508</u>	<u>\$ 562,619</u>

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

VILLAGE OF MOREAUVILLE, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2023

Total fund balances for governmental funds	\$ 226,668
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets, net	816,260
Long-term liabilities:	
Net pension liability	(197,996)
Deferred outflows of resources related to pension	188,306
Deferred inflows of resources related to pension	<u>(3,087)</u>
Net position	<u>\$ 1,030,151</u>

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

VILLAGE OF MOREAUVILLE, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances -
 Governmental Funds
 For the Year Ended June 30, 2023

	General	Sales Tax Fund	Totals
Revenues:			
Taxes	\$ 80,901	\$ 244,650	\$ 325,551
Licenses and permits	52,945	-	52,945
Intergovernmental	51,975	-	51,975
Fines and forfeits	28,111	-	28,111
Rental income	13,400	-	13,400
Miscellaneous	37,253	45	37,298
Total revenues	<u>264,585</u>	<u>244,695</u>	<u>509,280</u>
Expenditures:			
Current -			
General government	281,324	2,983	284,307
Public safety:			
Police	275,174	297	275,471
Fire	-	19,753	19,753
Recreation	34,493	-	34,493
Public works	1,000	-	1,000
Capital outlay	5,810	-	5,810
Total expenditures	<u>597,801</u>	<u>23,033</u>	<u>620,834</u>
Excess (deficiency) of revenues over expenditures	<u>(333,216)</u>	<u>221,662</u>	<u>(111,554)</u>
Other financing sources (uses):			
Transfers in	301,111	-	301,111
Transfers out	-	(201,111)	(201,111)
Total other financing sources (uses)	<u>301,111</u>	<u>(201,111)</u>	<u>100,000</u>
Net changes in fund balances	(32,105)	20,551	(11,554)
Fund balances, beginning	<u>202,759</u>	<u>35,463</u>	<u>238,222</u>
Fund balances, ending	<u>\$ 170,654</u>	<u>\$ 56,014</u>	<u>\$ 226,668</u>

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

VILLAGE OF MOREAUVILLE, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2023

Total net changes in fund balance per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ (11,554)
Capital assets:		
Capital outlay	\$ 5,810	
Depreciation expense	<u>(70,780)</u>	(64,970)
Effect of change in net pension liability, and the related deferred outflows and inflows of resources:		
Nonemployer pension contributions recognized	4,309	
Change in pension expense	<u>(17,086)</u>	<u>(12,777)</u>
Total changes in net position per Statement of Activities		<u>\$ (89,301)</u>

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

VILLAGE OF MOREAUVILLE, LOUISIANA

Statement of Net Position
 Proprietary Funds
 June 30, 2023

	Gas and Water Utility	Sewer Utility	Totals
ASSETS			
Current asset:			
Cash and cash equivalents	\$ 178,234	\$ 23,925	\$ 202,159
Receivables:			
Accounts, net	61,324	14,582	75,906
Accrued interest	1,581	-	1,581
Due from other governmental agencies	6,600	-	6,600
Inventory	8,051	-	8,051
Prepaid items	13,733	972	14,705
Total current assets	<u>269,523</u>	<u>39,479</u>	<u>309,002</u>
Noncurrent assets:			
Restricted assets -			
Cash and cash equivalents	131,956	-	131,956
Capital assets:			
Nondepreciable	23,655	-	23,655
Depreciable capital assets, net	691,617	1,381,508	2,073,125
Total noncurrent assets	<u>847,228</u>	<u>1,381,508</u>	<u>2,228,736</u>
Total assets	<u>1,116,751</u>	<u>1,420,987</u>	<u>2,537,738</u>
LIABILITIES			
Current liabilities, payable from current assets:			
Accounts payable	20,497	3,466	23,963
Lease payable	39,919	-	39,919
Total current liabilities, payable from current assets	<u>60,416</u>	<u>3,466</u>	<u>63,882</u>
Noncurrent liabilities:			
Customers' deposits	131,956	-	131,956
Lease payable	83,938	-	83,938
Total noncurrent liabilities	<u>215,894</u>	<u>-</u>	<u>215,894</u>
Total liabilities	<u>276,310</u>	<u>3,466</u>	<u>279,776</u>
NET POSITION			
Net investment in capital assets	591,415	1,381,508	1,972,923
Nonspendable	8,051	-	8,051
Unrestricted net position	240,975	36,013	276,988
Total net position	<u>\$ 840,441</u>	<u>\$ 1,417,521</u>	<u>\$ 2,257,962</u>

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

VILLAGE OF MOREAUVILLE, LOUISIANA

Statement of Revenues, Expenses, and Changes in Net Position -
Proprietary Funds
For the Year Ended June 30, 2023

	Gas and Water Utility	Sewer Utility	Totals
Operating revenues:			
Charges for services -			
Gas charges	\$ 481,344	\$ -	\$ 481,344
Water service charges	221,006	-	221,006
Sewer service charges	-	117,000	117,000
Installation and other charges	44,170	30	44,200
Total operating revenues	<u>746,520</u>	<u>117,030</u>	<u>863,550</u>
Operating expenses:			
Salaries and related benefits	144,104	43,072	187,176
Gas purchased	196,635	-	196,635
Water purchased	127,403	-	127,403
Supplies	46,841	6,132	52,973
Maintenance and repairs	12,796	30,182	42,978
Gas and oil	18,304	1,446	19,750
Utilities and telephone	834	39,945	40,779
Depreciation expense	66,936	84,350	151,286
Other operating expenses	68,573	243	68,816
Total operating expenses	<u>682,426</u>	<u>205,370</u>	<u>887,796</u>
Operating income (loss)	<u>64,094</u>	<u>(88,340)</u>	<u>(24,246)</u>
Nonoperating revenues (expenses):			
Grant revenues	3,401	-	3,401
Interest income	394	-	394
Interest expense	(6,095)	-	(6,095)
Total nonoperating revenues (expenses)	<u>(2,300)</u>	<u>-</u>	<u>(2,300)</u>
Income (loss) before transfers	61,794	(88,340)	(26,546)
Transfers in (out):			
Gas and Water Utility Fund	-	(3,815)	(3,815)
Sewer Utility Fund	3,815	-	3,815
General Fund	(100,000)	-	(100,000)
Total Transfers in (out)	<u>(96,185)</u>	<u>(3,815)</u>	<u>(100,000)</u>
Change in net position	(34,391)	(92,155)	(126,546)
Net position, beginning	<u>874,832</u>	<u>1,509,676</u>	<u>2,384,508</u>
Net position, ending	<u>\$ 840,441</u>	<u>\$ 1,417,521</u>	<u>\$ 2,257,962</u>

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

VILLAGE OF MOREAUVILLE, LOUISIANA

Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Gas and Water Utility	Sewer Utility	Totals
Cash flows from operating activities:			
Receipts from customers	\$ 748,023	\$119,443	\$ 867,466
Payments to suppliers	(478,056)	(77,488)	(555,544)
Payments to employees	<u>(144,104)</u>	<u>(43,072)</u>	<u>(187,176)</u>
Net cash provided (used) by operating activities	<u>125,863</u>	<u>(1,117)</u>	<u>124,746</u>
Cash flows from noncapital financing activities:			
Cash transferred to other funds	<u>(96,185)</u>	<u>(3,815)</u>	<u>(100,000)</u>
Cash flows from capital and related financing activities:			
Proceeds from grants	3,401	-	3,401
Interest and fiscal charges paid on lease	(6,095)	-	(6,095)
Principal paid on lease	(38,612)	-	(38,612)
Capital purchases	<u>(16,400)</u>	<u>-</u>	<u>(16,400)</u>
Net cash used by capital and related financing activities	<u>(57,706)</u>	<u>-</u>	<u>(57,706)</u>
Cash flows from investing activities:			
Interest received on interest-bearing deposits	<u>394</u>	<u>-</u>	<u>394</u>
Net decrease in cash and cash equivalents	(27,634)	(4,932)	(32,566)
Cash and cash equivalents, beginning of period	<u>90,168</u>	<u>28,857</u>	<u>119,025</u>
Cash and cash equivalents, end of period	<u>\$ 62,534</u>	<u>\$ 23,925</u>	<u>\$ 86,459</u>

(continued)

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

VILLAGE OF MOREAUVILLE, LOUISIANA

Statement of Cash Flows
 Proprietary Funds
 For the Year Ended June 30, 2023

	Gas and Water Utility	Sewer Utility	Totals
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 64,094	\$ (88,340)	\$ (24,246)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	66,936	84,350	151,286
(Increase) decrease in assets:			
Accounts receivable	383	2,413	2,796
Inventory	(1,535)	-	(1,535)
Increase (decrease) in liabilities:			
Accounts payable	(5,135)	460	(4,675)
Customer deposits	1,120	-	1,120
Net cash provided (used) by operating activities	<u>\$ 125,863</u>	<u>\$ (1,117)</u>	<u>\$ 124,746</u>
Reconciliation of cash and cash equivalents per statement of cash flows to statement of net position:			
Cash and cash equivalents, beginning of period -			
Cash and cash equivalents - unrestricted	\$ 206,988	\$ 28,857	\$ 235,845
Cash and cash equivalents- restricted	130,836	-	130,836
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(247,656)</u>	<u>-</u>	<u>(247,656)</u>
Total cash and cash equivalents, beginning of period	<u>90,168</u>	<u>28,857</u>	<u>119,025</u>
Cash and cash equivalents, end of period -			
Cash and cash equivalents - unrestricted	178,234	23,925	202,159
Cash and cash equivalents - restricted	131,956	-	131,956
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(247,656)</u>	<u>-</u>	<u>(247,656)</u>
Total cash and cash equivalents, end of period	<u>62,534</u>	<u>23,925</u>	<u>86,459</u>
Net decrease in cash and cash equivalents	<u>\$ (27,634)</u>	<u>\$ (4,932)</u>	<u>\$ (32,566)</u>

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

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Village of Moreauville (hereinafter, “the Village”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

The Village of Moreauville was incorporated in 1904 under the provisions of the Lawrason Act. The Village operates under a Mayor-Board of Aldermen form of government and provides the following services: public safety (police and fire), highway and streets, sanitation, culture-recreation, public improvements, planning and zoning, and general administrative services.

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

Based on the foregoing criteria, the volunteer fire department, as a governmental organization, is not part of the Village and is thus excluded from the accompanying financial statements. This organization is staffed by volunteers and although the Village does provide some of its financing, no control is exercised over its operations. These financial statements include only expenditures incurred directly by the Village for fire protection and do not include operating expenditures paid with self-generated funds of the volunteer fire department.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

Fund Financial Statements

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

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements

The various funds of the Village are classified into two categories: governmental and proprietary. The emphasis on the fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

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

The major funds of the Village are described below:

Governmental Funds –

General Fund

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

Special Revenue Fund

The Sales Tax Fund accounts for the proceeds of a 1 1/2% sales and use tax that is legally restricted to expenditures for specific purposes.

Proprietary Funds –

Proprietary funds are used to account for ongoing organizations and activities that are similar to those often found in the private sector. The measurement focus is based upon the determination of net income, financial position, and cash flows.

Enterprise Funds

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

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements

or other purposes. The Gas and Water Utility Fund and the Sewer Utility Fund comprise the Village's Enterprise Funds.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" revenues, expenditures, expenses, and transfers – and assets, deferred outflows of resources, liabilities, and deferred inflows of resources – are recognized in the accounts and reported in the financial statements.

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net position.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

1. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
2. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting

In the government-wide statements of net position and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements

deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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 of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used.

Program revenues

Program revenues included in the statement of activities are derived directly from the program itself or from parties outside the Village's taxpayers of citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Village's general revenues.

Allocation of indirect expenses

The Village reports all direct expenses by function in the statement of activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the statement of activities. Depreciation expense is specifically identifiable by function and is included in the direct expense of each function. Interest on long-term debt related to business activities is reported in the statement of activities as direct expenses in the functions of Gas and Water in the amount of \$6,095.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity

Cash, cash equivalents and interest-bearing deposits

For the purposes of the statement of net position, cash and cash equivalents include all demand accounts, savings accounts, certificates of deposits, and interest-bearing deposits of the Village.

For the purposes of the proprietary fund statement of cash flows, cash and cash equivalents include all demand deposits, savings accounts, and certificates of deposits or short-term investments with an original maturity of three months or less.

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes and franchise fees. Business-type activities report customers' utility service receivables as their major receivables. Uncollectible amounts due from customers' utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the receivable is uncollectible. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading billing and the end of the month, are recorded at year-end. No allowance for doubtful accounts is reported at June 30, 2023.

Interfund receivables and payables

During operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables."

Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

Inventory

Purchases of various operating supplies are recorded as expenditures at the time purchased and are valued at cost. Inventory is adjusted at year-end. The first-in first-out method of inventory valuation is used.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2023, are recorded as prepaid items.

Restricted Assets

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

Capital Assets

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

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements

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

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

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

Lines and other system installations	10 - 50 years
Vehicles and movable equipment	5 - 25 years
Buildings	10 - 60 years

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

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The Village's long-term debt consists of revenue bonds payable and capital lease payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

Compensated Absences

Employees of the Village may accumulate up to a total of 20 days of vacation and sick time each year. Upon resignation or termination employees are not paid for any accumulated time.

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements

Deferred Outflows of Resources and Deferred Inflows of Resources

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

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

Equity Classifications

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

1. Net investment in capital assets - consists of net capital assets, reduced by the outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.
2. Restricted net position – consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.
3. Unrestricted net position – consists of all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance reports aggregate amounts for five classifications based on the constraints imposed on the use of these resources. As such, fund balances of the governmental funds are classified as follows:

1. Non-spendable – amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact. The Village’s non-spendable fund balance includes prepaid items.
2. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements

constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

3. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Village’s Mayor and Board of Aldermen, which is the highest level of decision-making authority for the Village. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by board members.
4. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes determined by a formal decision of the Mayor and Board of Aldermen.
5. Unassigned – all other spendable amounts.

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the Village considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the Village considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Village has provided otherwise in its commitment or assignment actions.

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

E. Revenues, Expenditures, and Expenses

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services.

It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

Ad Valorem Revenues

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Village in October and are billed to taxpayers in November. Billed taxes become delinquent on March 1 of the following year. The Village bills and collects its own property taxes using the assessed values determined by the tax assessor of Avoyelles Parish. Property tax revenues are recognized when levied to the extent that they result in current receivables.

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements

Expenditures/Expenses

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

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

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

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

Interfund Transfers

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

F. Revenue Restrictions

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

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Sales tax	See Note 2
Gas, water and sewer revenue	Debt service, utility operations, other lawful corporate purposes

G. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the reporting period. These estimates include assessing the collectability of accounts receivable and the useful lives and impairment of tangible and intangible assets, among others. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from those estimates.

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements

(2) Dedication of Proceeds and Flow of Funds – Sales and Use Taxes

Proceeds of the 1% sales and use tax are dedicated to the following purposes:

1. Specifically, for the purpose of paying the cost of constructing sewers and sewerage disposal works and maintaining and operating the same; title to which shall be in the public.
2. Generally, for the constructing, re-surfacing, lighting and improving of public streets, sidewalks and bridges; constructing, purchasing, improving, maintaining and operating recreational facilities and equipment; and constructing, acquiring or improving lands, buildings, any work of permanent public improvement, including equipment and furnishing, therefore, title to which shall be in the public.

Proceeds of the 1/2% sales tax are dedicated to operating, maintaining, and purchasing of supplies for the police, fire, and street departments. The 1/2% sales tax is allocated 1/8% to police, 1/8% to fire, and 1/4% to streets.

(3) Cash and Interest-Bearing Deposits

Under state law, the Village may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Village may invest in direct obligations of the United States government, bonds, debentures, notes or other evidence of indebtedness issues or guaranteed by federal agencies and/or the United States government, and time certificates of deposit of the state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Village's deposits may not be recovered, or the Village will not be able to recover the collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. The Village does not have a policy for custodial credit risk; however, under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security, or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. Deposit balances of \$565,126 (bank balances) were fully secured by federal deposit insurance at June 30, 2023.

(4) Restricted Assets - Proprietary Fund Type

Restricted assets in the amount of \$131,956 consisted of customer deposit funds.

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements

(5) Capital Assets

Capital asset activity was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 19,053	\$ -	\$ -	\$ 19,053
Construction in progress	<u>-</u>	<u>5,810</u>	<u>-</u>	<u>5,810</u>
Total capital assets, not being depreciated	<u>19,053</u>	<u>5,810</u>	<u>-</u>	<u>24,863</u>
Other capital assets:				
Infrastructure	576,845	-	-	576,845
Buildings	711,875	-	-	711,875
Equipment, furniture and fixtures	<u>260,690</u>	<u>-</u>	<u>-</u>	<u>260,690</u>
Total capital assets, being depreciated	<u>1,549,410</u>	<u>-</u>	<u>-</u>	<u>1,549,410</u>
Less accumulated depreciation:				
Infrastructure	201,034	33,718	-	234,752
Buildings	276,072	16,053	-	292,125
Equipment, furniture and fixtures	<u>210,127</u>	<u>21,009</u>	<u>-</u>	<u>231,136</u>
Total accumulated depreciation	<u>687,233</u>	<u>70,780</u>	<u>-</u>	<u>758,013</u>
Total capital assets, being depreciated, net	<u>862,177</u>	<u>(70,780)</u>	<u>-</u>	<u>791,397</u>
Governmental activities, capital assets, net	<u>\$ 881,230</u>	<u>\$ (64,970)</u>	<u>\$ -</u>	<u>\$ 816,260</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 2,369
Police	19,338
Recreation	17,624
Streets	<u>31,449</u>
Total depreciation expense	<u>\$ 70,780</u>

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 22,614	\$ -	\$ -	\$ 22,614
Right of ways	1,041	-	-	1,041
Total capital assets, not being depreciated	23,655	-	-	23,655
Other capital assets:				
Gas and water system	2,292,122	-	-	2,292,122
Sewer system	4,034,593	-	-	4,034,593
Machinery and equipment	308,219	16,400	-	324,619
Total capital assets, being depreciated	6,634,934	16,400	-	6,651,334
Less accumulated depreciation:				
Gas and water system	1,647,769	45,236	-	1,693,005
Sewer system	2,502,437	70,726	-	2,573,163
Machinery and equipment	276,717	35,324	-	312,041
Total accumulated depreciation	4,426,923	151,286	-	4,578,209
Total capital assets, being depreciated, net	2,208,011	(134,886)	-	2,073,125
Business-type activities, capital assets, net	<u>\$ 2,231,666</u>	<u>\$(134,886)</u>	<u>\$ -</u>	<u>\$ 2,096,780</u>

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

Gas and water	\$ 66,936
Sewer	84,350
Total depreciation expense	<u>\$ 151,286</u>

(6) Unearned Grant Revenues

Unearned grant revenues of \$317,222 were related to federal funds received from the Coronavirus State and Local Recovery Fund.

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements

(7) Changes in Long-Term Liabilities

The following is a summary of debt transactions of the Village:

	<u>Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u>	<u>Due in One Year</u>
Business-Type Activities					
Direct borrowings/placements					
Lease payable	\$ 162,469	\$ -	\$ 38,612	\$ 123,857	\$ 39,919

Debts outstanding at June 30, 2023 were comprised of the following:

The Village entered into a \$366,948 Financed Purchase Agreement on April 11, 2016 for the purchase and installation of radio read gas and water utility meters. Monthly installments of \$3,620 are due through June 2026 at an annual interest rate of 3.334%. In the event of a default the Village may elect to cancel the agreement and surrender possession of the property under lease. However, under no circumstances is the Village liable for any amount in excess of the sum appropriated for the previous and current fiscal years, less all amounts previously due and paid during the previous and current fiscal years from amounts so appropriated. \$ 123,857

Annual debt service requirements to maturity are as follows:

Capital lease is due as follows:

Year ending June 30,	<u>Direct Borrowing Debt</u>		
	<u>Principal payments</u>	<u>Interest payments</u>	<u>Total</u>
2024	\$ 39,919	\$ 3,523	\$ 43,442
2025	41,271	2,172	43,443
2026	<u>42,667</u>	<u>774</u>	<u>43,441</u>
Total	<u>\$ 123,857</u>	<u>\$ 6,469</u>	<u>\$ 130,326</u>

(8) Pension Plan

Municipal Employees Police Retirement System of Louisiana (MPERS) –

Plan Description: The Municipal Police Employees' Retirement System is the administrator of a cost-sharing multiple-employer plan. Membership in the MPERS is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrests, provided he or she does not have to pay social security and providing he or she meets the statutory criteria. The System provides retirement benefits for municipal police officers.

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements

The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the system in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. The System issues a publicly available financial report that may be obtained by writing to the Municipal Employees' Retirement System of Louisiana, 7722 Office Park Boulevard, Suite 200, Baton Rouge, Louisiana 70809, or by calling (225) 929-7411.

Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Membership Prior to January 1, 2013 - A member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years creditable service and is age 55. A member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age with an actuarially reduced benefit. Benefit rates are three and one-third percent of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service, not to exceed 100% of final salary. Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from forty to sixty percent of the member's average final compensation for the surviving spouse. In addition, each child under the age of eighteen receives benefits equal to ten percent of the member's average final compensation or \$200 per month, whichever is greater.

Membership Commencing January 1, 2013 - Member eligibility for regular retirement, early retirement, disability, and survivor benefits are based on Hazardous Duty and Non-Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non-Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55.

Under the Hazardous and Non-Hazardous Duty sub plans, the benefit rates are three percent and two and a half percent, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from twenty-five to fifty-five percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives ten percent of average final compensation or \$200 per month whichever is greater. If deceased member had less than ten years of service, beneficiary will receive a refund of employee contributions only.

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements

Cost of Living Adjustments: The Board of Trustees is authorized to provide annual cost-of-living adjustments computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility. No regular retiree, survivor or beneficiary shall be eligible to receive a cost-of-living adjustment until benefits have been received at least one full fiscal year and the payment of such COLA, when authorized, shall not be effective until the lapse of at least one-half of the fiscal year. Members who elect early retirement are not eligible for a cost-of-living adjustment until they reach regular retirement age. A cost-of-living adjustment may only be granted if funds are available from interest earnings in excess of normal requirements, as determined by the actuary.

Deferred Retirement Option Plan: A member is eligible to elect to enter the deferred retirement option plan (DROP) when he is eligible for regular retirement based on the members' sub plan participation. Upon filing the application for the program, the employee's active membership in the System is terminated. At the entry date into the DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DROP is thirty-six months or less. If employment is terminated after the three-year period, the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership into the System shall resume and upon later termination, he shall receive additional retirement benefit based on the additional service. For those eligible to enter DROP prior to January 1, 2004, DROP accounts shall earn interest subsequent to the termination of DROP participation at a rate of half of one percentage point below the percentage rate of return of MPERS's investment portfolio as certified by the actuary on an annual basis but will never lose money.

For those eligible to enter DROP subsequent to January 1, 2004, an irrevocable election is made to earn interest based on the System's investment portfolio return or a money market investment return. This could result in a negative earnings rate being applied to the account. If the member elects a money market investment return, the funds are transferred to a government money market account.

Initial Benefit Option Plan: In 1999, the State Legislature authorized the System to establish an Initial Benefit Option program. Initial Benefit Option is available to members who are eligible for regular retirement and have not participated in DROP. The Initial Benefit Option program provides both a one-time single sum payment of up to 36 months of regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest is computed on the balance based on the same criteria as DROP.

Employer Contributions: Contributions for all members are actuarially determined as required by state law but cannot be less than 9% of the employees' earnable compensation excluding overtime but including state supplemental pay. For the year ended June 30, 2023, contribution rates due for employers and employees were 31.25% and 10.00%, respectively. Contributions to the pension plan from the Village totaled \$35,536.

Non-employer Contributions: The System also receives insurance premium tax monies as additional employer contributions. The tax is considered support received from a non-contributing entity and appropriated by the legislature each year based on an actuarial study. Non-employer

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements

contributions of \$4,309 are recognized as revenue during the year ended June 30, 2023 and excluded from pension expense.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2023 the Town reported a net liability of \$197,996 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2022 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The Village’s proportion of the Net Pension Liability was based on a projection of the Town’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023, the Village’s proportion was 0.019%, which was an increase of 0.019% from the prior year.

The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Difference between expected and actual experience	\$ 977	\$ 1,614
Changes of assumptions	6,830	1,473
Change in proportion and differences between the employer's contributions and the proportionate share of contributions	109,615	-
Net difference between projected and actual earnings on pension plan investments	35,348	-
Contributions subsequent to the measurement date	<u>35,536</u>	<u>-</u>
Total	<u>\$ 188,306</u>	<u>\$ 3,087</u>

Deferred outflows of resources of \$35,536 resulting from the Village’s contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the subsequent year.

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

Year Ended <u>June 30:</u>	
2024	\$ 46,143
2025	46,204
2026	38,796
2027	<u>18,540</u>
	<u>\$ 149,683</u>

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements

Actuarial Assumptions: The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

A summary of the actuarial methods and assumptions used in determining MPERS total pension liability are as follows:

Valuation Date	June 30, 2022	
Actuarial Cost Method	Entry Age Normal Cost	
Investment rate of return	6.750%, net of investment expense	
Expected Remaining		
Service Lives	4 years	
Inflation rate	2.5%	
Salary increases, including inflation and merit	<u>Years of Service</u>	<u>Salary Growth Rate</u>
	1-2	12.30%
	Above 2	4.70%
Mortality	For annuitants and beneficiaries, the Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP 2019 scale was used.	
	For disabled lives, the Pub-2010 public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using MP2019 scale was used.	
	For employees, the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used	
Cost-of-Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.	

The mortality rate assumption used was set based upon an experience study for the period of July 1, 2014 through June 30, 2019. A change was made full generational mortality which combines the use of a base mortality table with appropriate mortality improvement scales. In order to set the base mortality table, actual plan mortality experience was assigned a credibility weighting and combined with a standard table to produce current levels of mortality.

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements

The best estimates of the arithmetic rates of return for each major asset class included in the System's target allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Portfolio Real Rate of Return</u>
Equity	55.50%	3.60%
Fixed Income	30.50%	0.85%
Alternative	<u>14.00%</u>	<u>0.95%</u>
Totals	100.00%	5.40%
Inflation		<u>2.66%</u>
Expected Nominal Return		<u>8.06%</u>

Discount rate: The discount rate used to measure the total pension liability was 6.750%, which is the same as the discount rate used in the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System'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.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability of the participating employers calculated using the discount rate of 6.750%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.750%, or one percentage point higher 7.750% than the current rate.

	1% Decrease <u>5.750%</u>	Current Discount Rate <u>6.750%</u>	1% Increase <u>7.750%</u>
Net Pension Liability	\$277,156	\$197,996	\$131,871

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements

(9) Compensation, Benefits, and Other Payments to Mayor

The detail of compensation, benefits, and other payments paid to Mayor, Beryl Holmes, for the year ended June 30, 2023 are as follows:

<u>Purpose</u>	Amount
Salary	\$ 10,850
Reimbursements	272
Travel	191
Total	<u>\$ 11,313</u>

(10) Compensation of Village Officials

A detail of compensation paid to the Alderman is as follows:

<u>Elected Official</u>	<u>Office</u>	<u>Term</u>	<u>Salary</u>	<u>Term Expiration</u>
Shannon Sampson	Alderman	4 years	\$ 3,600	December 31, 2026
Farrell Johnson	Alderman	4 years	3,600	December 31, 2026
Timothy Hall	Alderman	4 years	<u>3,600</u>	December 31, 2026
			<u>\$ 10,800</u>	

(11) On-Behalf Payments

The State of Louisiana paid the Village's policemen \$10,960 of supplemental pay during the year ended June 30, 2023. Such payments are recorded as intergovernmental revenues and public safety expenditures in the government-wide and General Fund financial statements.

(12) Interfund Transactions

Transfers consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds:		
General fund	\$ 301,111	\$ -
Sales tax fund	<u>-</u>	<u>201,111</u>
Total governmental funds	<u>301,111</u>	<u>201,111</u>

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Basic Financial Statements

	<u>Transfers In</u>	<u>Transfers Out</u>
Enterprise fund:		
Gas and water utility fund	3,815	100,000
Sewer utility fund	<u>-</u>	<u>3,815</u>
Total enterprise funds	<u>3,815</u>	<u>103,815</u>
Total	<u>\$ 304,926</u>	<u>\$ 304,926</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

(13) Litigation and Claims

At June 30, 2023, the Village is a defendant in pending litigation. While damages are alleged, the outcome of this litigation cannot be predicted with certainty. An uninsured judgement has been awarded against the Village; however, appropriations to pay this judgement have not been authorized by the Board of Aldermen.

(14) Risk Management

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

**REQUIRED
SUPPLEMENTARY INFORMATION**

VILLAGE OF MOREAUVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 77,200	\$ 86,632	\$ 80,901	\$ (5,731)
Licenses and permits	36,600	46,928	52,945	6,017
Intergovernmental	92,010	28,729	51,975	23,246
Fines and forfeits	40,000	27,694	28,111	417
Rental income	13,000	13,200	13,400	200
Miscellaneous	52,305	29,327	37,253	7,926
Total revenues	<u>311,115</u>	<u>232,510</u>	<u>264,585</u>	<u>32,075</u>
Expenditures:				
General government -				
Finance and administrative	229,648	292,333	281,324	11,009
Public safety -				
Police	327,835	260,024	275,174	(15,150)
Fire	5,680	-	-	-
Public works -				
Streets and sidewalks	-	-	1,000	(1,000)
Recreation	27,213	33,570	34,493	(923)
Capital outlay	4,000	-	5,810	(5,810)
Total expenditures	<u>594,376</u>	<u>585,927</u>	<u>597,801</u>	<u>(11,874)</u>
Deficiency of revenues over expenditures	<u>(283,261)</u>	<u>(353,417)</u>	<u>(333,216)</u>	<u>20,201</u>
Other financing sources (uses):				
Transfers in -				
Gas and Water Utility Fund	133,000	105,000	100,000	(5,000)
Sewer Fund	4,500	-	-	-
Sales Tax Fund	198,000	201,111	201,111	-
Total Transfers in	<u>335,500</u>	<u>306,111</u>	<u>301,111</u>	<u>(5,000)</u>
Net change in fund balance	52,239	(47,306)	(32,105)	15,201
Fund balance, beginning	<u>202,759</u>	<u>202,759</u>	<u>202,759</u>	<u>-</u>
Fund balance, ending	<u>\$ 254,998</u>	<u>\$ 155,453</u>	<u>\$ 170,654</u>	<u>\$ 15,201</u>

VILLAGE OF MOREAUVILLE, LOUISIANA
Sales Tax Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes -				
Sales	\$ 214,000	\$ 229,636	\$ 244,650	\$ 15,014
Other	-	70	45	(25)
Total revenues	<u>214,000</u>	<u>229,706</u>	<u>244,695</u>	<u>14,989</u>
Expenditures:				
General government	-	-	2,983	(2,983)
Public safety -				
Police	-	-	297	(297)
Fire	7,500	22,883	19,753	3,130
Total expenditures	<u>7,500</u>	<u>22,883</u>	<u>23,033</u>	<u>(150)</u>
Excess of revenues over expenditures	<u>206,500</u>	<u>206,823</u>	<u>221,662</u>	<u>14,839</u>
Other financing uses:				
Transfers out -				
General Fund	<u>(199,000)</u>	<u>(201,111)</u>	<u>(201,111)</u>	<u>-</u>
Net change in fund balance	7,500	5,712	20,551	14,839
Fund balance, beginning	<u>35,463</u>	<u>35,463</u>	<u>35,463</u>	<u>-</u>
Fund balance, ending	<u>\$ 42,963</u>	<u>\$ 41,175</u>	<u>\$ 56,014</u>	<u>\$ 14,839</u>

VILLAGE OF MOREAUVILLE, LOUISIANA

Schedule of Employer's Share of Net Pension Liability
For the Year Ended June 30, 2023

* Year ended June 30,	Employer Proportion of the Net Pension Liability (Asset)	Employer Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
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Municipal Police Employees' Retirement System

2023	0.019%	\$ 197,966	\$ 56,790	348.6%	70.80%
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* The amounts presented have a measurement date of the previous fiscal year end.

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

VILLAGE OF MOREAUVILLE, LOUISIANA

Schedule of Employer Contributions
For the Year Ended June 30, 2023

Year ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractual Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
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Municipal Police Employees' Retirement System

2023	\$ 35,536	\$ 35,536	\$ -	\$ 113,716	31.25%
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This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Required Supplementary Information
For the Year Ended June 30, 2023

(1) Retirement System

A. Changes in Benefit Terms

There were no changes in benefit terms.

B. Changes in Assumptions

<u>Year ended June 30,</u>	<u>Discount Rate</u>	<u>Investment Rate of Return</u>	<u>Inflation Rate</u>	<u>Expected Remaining Service lives</u>	<u>Projected Salary Increase</u>
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*** Municipal Employees Police Retirement System (MPERS)**

2023	6.750%	6.750%	2.500%	4	4.70% - 12.30%
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** The amounts presented have a measurement date of the previous June 30.*

(2) Budget and Budgetary Accounting

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

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

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Required Supplementary Information
For the Year Ended June 30, 2023

(3) Excess of Expenditures over Appropriations

The General Fund and Sales Tax Fund incurred expenditures in excess of appropriations.

OTHER SUPPLEMENTARY INFORMATION

OTHER INFORMATION

VILLAGE OF MOREAUVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Taxes:				
Ad valorem	\$ 23,500	\$ 25,016	\$ 24,979	\$ (37)
Franchise -				
Electric	45,500	53,777	51,004	(2,773)
Telephone	1,700	2,573	2,273	(300)
Cable TV	6,500	5,266	2,645	(2,621)
Total taxes	<u>77,200</u>	<u>86,632</u>	<u>80,901</u>	<u>(5,731)</u>
Licenses and permits:				
Insurance licenses	19,000	31,267	38,005	6,738
Alcohol Permits	-	1,070	870	(200)
Occupational licenses	17,000	13,243	12,843	(400)
Building permits	600	1,348	1,227	(121)
Total licenses and permits	<u>36,600</u>	<u>46,928</u>	<u>52,945</u>	<u>6,017</u>
Intergovernmental:				
Federal grants -				
USDA	-	16,753	26,539	9,786
State of Louisiana -				
State grants	85,000	4,358	4,358	-
Beer taxes	1,810	2,418	2,318	(100)
Supplemental pay	-	-	10,960	10,960
Department of Transportation -				
Grass cutting	5,200	5,200	7,800	2,600
Total intergovernmental	<u>92,010</u>	<u>28,729</u>	<u>51,975</u>	<u>23,246</u>
Fines and forfeits:				
Fines and court costs	40,000	27,694	28,111	417
Recreation:				
Rental income	13,000	13,200	13,400	200
Miscellaneous:				
Interest	5	-	8	8
Casino funds	30,000	20,267	13,309	(6,958)
Other sources	22,300	9,060	23,936	14,876
Total miscellaneous	<u>52,305</u>	<u>29,327</u>	<u>37,253</u>	<u>7,926</u>
Total revenues	<u>\$ 311,115</u>	<u>\$ 232,510</u>	<u>\$ 264,585</u>	<u>\$ 32,075</u>

VILLAGE OF MOREAUVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
General government:				
Administration:				
Salaries	\$ 88,600	\$ 93,150	\$ 93,142	\$ 8
Payroll taxes	-	-	7,187	(7,187)
Insurance	35,815	64,152	60,293	3,859
Legal and professional fees	45,000	60,827	55,435	5,392
Benefits	35,000	36,751	29,584	7,167
Other	25,233	37,453	35,683	1,770
Total general government	<u>229,648</u>	<u>292,333</u>	<u>281,324</u>	<u>11,009</u>
Public safety -				
Police:				
Salaries	184,035	172,252	181,812	(9,560)
Payroll taxes	22,000	21,049	13,897	7,152
Automobile expense	21,000	23,089	23,475	(386)
Insurance	5,500	-	-	-
Benefits	66,600	26,932	35,533	(8,601)
Supplies and equipment	5,400	5,525	8,594	(3,069)
Other	23,300	11,177	11,863	(686)
Total police	<u>327,835</u>	<u>260,024</u>	<u>275,174</u>	<u>(15,150)</u>
Fire:				
Insurance	5,680	-	-	-
Total fire	<u>5,680</u>	<u>-</u>	<u>-</u>	<u>-</u>
Recreation -				
Tennis courts and park:				
Materials and supplies	500	200	593	(393)
Total tennis courts and park	<u>500</u>	<u>200</u>	<u>593</u>	<u>(393)</u>
Community center:				
Insurance	1,100	-	-	-
Other	25,613	33,370	33,900	(530)
Total community center	<u>26,713</u>	<u>33,370</u>	<u>33,900</u>	<u>(530)</u>
Total recreation	<u>27,213</u>	<u>33,570</u>	<u>34,493</u>	<u>(923)</u>

(continued)

VILLAGE OF MOREAUVILLE, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Streets and sidewalks - Maintenance	-	-	1,000	(1,000)
Total streets and sidewalks	-	-	1,000	(1,000)
Capital outlay:				
Police department	4,000	-	-	-
Streets and sidewalks	-	-	5,810	(5,810)
Total capital outlay	4,000	-	5,810	(5,810)
 Total expenditures	<u>\$ 594,376</u>	<u>\$ 585,927</u>	<u>\$ 597,801</u>	<u>\$ (11,874)</u>

VILLAGE OF MOREAUVILLE
Moreauville, Louisiana

Justice System Funding Schedule - Collecting/Disbursing Entity
As Required by ACT 87 of the 2020 Regular Legislative Session
General Fund
Cash Basis Presentation
Year Ended June 30, 2023

	<u>First Six Month Period Ended 12/31/2022</u>	<u>Second Six Month Period Ended 06/30/2023</u>
Beginning balance of amounts collected	\$ -	\$ -
Add: Collections		
Criminal Court Costs/Fees	<u>14,819</u>	<u>13,292</u>
Total collections	<u>14,819</u>	<u>13,292</u>
Less: Disbursements to Governments and Nonprofits		
Louisiana Commission on Law Enforcement - Crime Victims Reparation Fund/POST LE Training	350	265
Louisiana Supreme Court - Case Management Information System	37	28
Louisiana Dept. of Health - Traumatic Head and Spinal Cord Injury Trust Fund	105	65
Central Louisiana Juvenile Detention Center	278	210
Less: Amounts retained by collecting agency		
Criminal Court Costs/Fees	<u>14,049</u>	<u>12,724</u>
Total disbursements	<u>14,819</u>	<u>13,292</u>
Total ending balance of amounts collected but not disbursed/retained	<u>\$ -</u>	<u>\$ -</u>

VILLAGE OF MOREAUVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
Years Ended June 30, 2023 and 2022

Records maintained by the Village indicated the following number of customers were being serviced during the month of June, 2023 and 2022:

Department	2023	2022
Water and Gas:		
Commercial	28	28
Residential	<u>1,506</u>	<u>1,478</u>
Total	<u>1,534</u>	<u>1,506</u>
Sewerage:		
Commercial	10	10
Residential	<u>480</u>	<u>470</u>
Total	<u>490</u>	<u>480</u>

VILLAGE OF MOREAUVILLE, LOUISIANA

Schedule of Insurance In Force
June 30, 2023

Description of Coverage	Asset Covered	Amount of Coverage	Insurance Company	Policy Number	Expiration Date
Workers' Compensation	Employees	\$100,000 each accident, \$100,000 each employee \$500,000 policy limit	1st Insurance	155500-S	4/1/2024
Property Policy	Community Center Village Hall 125,000 G Water Tower 50,000 G Water Tower Building at Towers Building at Sewer Plant	\$350,000/\$50,000 \$350,000/\$50,000 \$350,000 \$150,000 \$50,000 \$100,000	1st Insurance	PEN0005129-03	4/1/2024 4/1/2024
General Liability	N/A	\$500,000 occurrence \$1,000,000 General Aggregate	1st Insurance	PEN0005129-03	4/1/2024
Liability	Vehicles	\$500,000 Combined	1st Insurance	PEN0005252-03	4/1/2024
Inland Marine	Contractor's Equipment Water & Gas Meters	\$164,572 \$366,949	1st Insurance	PEN0005129-03	4/1/2024
Bond Insurance	Various Employees	\$50,000	1st Insurance	PEN0005129-03	4/1/2024

VILLAGE OF MOREAUVILLE, LOUISIANA
Enterprise Fund - Utility Fund

Comparative Schedule of Revenues and Expenses
Years Ended June 30, 2023 and 2022

	2023	2022
Operating revenues:		
Gas sales	\$ 481,344	\$ 454,681
Water sales	221,006	229,445
Sewerage sales	117,000	121,759
Installation and other charges	44,200	57,800
Total operating revenues	863,550	863,685
Operating expenses:		
Gas purchased	196,635	167,973
Water purchased	127,403	137,361
Salaries and related benefits	187,176	199,927
Depreciation	151,286	150,292
Maintenance and repairs	42,978	30,185
Supplies	52,973	67,075
Truck and tractor expenses	3,327	7,050
Office expense	11,386	8,659
Legal and professional	-	3,125
Utilities and telephone	40,779	38,357
Testing and sludge removal	9,416	4,896
Gas and oil	19,750	21,569
Miscellaneous	44,687	35,637
Total operating expenses	887,796	872,106
Net operating income (loss)	\$ (24,246)	\$ (8,421)

VILLAGE OF MOREAUVILLE, LOUISIANA
 Enterprise Fund
 Utility Fund
 Utility Rate Schedule
 June 30, 2023

Records maintained by the Village indicated utility rates as follows:

<u>Water, Sewerage, and Gas Department</u>	<u>Rate per Unit</u>	<u>Flat Rate</u>	<u>Minimum Charge</u>
Water rates	\$4.50 per thousand gallons after 2,000 gallons	-	\$15.50 up to 2,000 gallons
Sewer rates	\$3.00 per thousand gallons	-	\$5.00 base fees
Gas rates - in town	Varies monthly; report provided by LMGA	\$ 7.00	\$.00716 per 1,000 mcf
Gas rates - out of town	Varies monthly; report provided by LMGA	\$ 8.00	\$.00716 per 1,000 mcf

VILLAGE OF MOREAUVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Accounts Receivable Aging Schedule
June 30, 2023

Records maintained by the Village indicated accounts receivables aging as follows:

<u>Department</u>	<u>2023</u>
Water, Sewerage and Gas:	
Current	\$ 53,893
30 to 60 days	22,013
61 to 90 days	-
Over 90 days	-
Total	<u>\$ 75,906</u>

**INTERNAL CONTROL, COMPLIANCE
AND
OTHER MATTERS**

KOLDER, SLAVEN & COMPANY, LLC

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

The Honorable Beryl Holmes, Mayor
and Members of the Board of Aldermen
Village of Moreauville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of the Village of Moreauville, Louisiana as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Village of Moreauville, Louisiana's basic financial statements and have issued our report thereon dated October 18, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village of Moreauville, 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 our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Moreauville, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Moreauville, 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 a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of current findings and prior year findings and management's corrective action plan as items 2023-001, 2023-002 and 2023-003, that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Moreauville, Louisiana'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 one instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of current and prior year audit findings and management's corrective action plan as items 2023-004.

Village of Moreauville, Louisiana's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Village of Moreauville, Louisiana's response to the findings identified in our audit and described in the accompanying schedule of current findings and prior year findings and management's corrective action plan. The Village of Moreauville, Louisiana's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 Village of Moreauville, Louisiana's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Alexandria, Louisiana
October 18, 2023

VILLAGE OF MOREAUVILLE, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 2023

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

A. Internal Control Over Financial Reporting

2023-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

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

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

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

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

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

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

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

VILLAGE OF MOREAUVILLE, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 2023

2023-002 Application of Generally Accepted Accounting Principles (GAAP)

Fiscal year finding initially occurred: 2007

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

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

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

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

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

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

2023-003 Utility Accounts Receivable and Customer Deposits Subsidiary Ledger

Fiscal year finding initially occurred: 2022.

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

VILLAGE OF MOREAUVILLE, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 2023

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

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

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

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

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Village is working to develop policies and procedures to ensure the timely reconciliation of utility accounts receivables and utility customer deposits subsidiary ledgers to the general ledger balances.

B. Compliance

2023-004 Control and Disposition of Traffic Citations

Fiscal year finding initially occurred: 2023

CONDITION: The Village of Moreauville was unable to provide an accounting and final disposition of all traffic citations issued by the police department during the year under audit.

CRITERIA: Under Louisiana Revised Statute 39:398.2 *Disposition of traffic citations; unlawful acts; records*, the chief administrative officer of each traffic enforcement agency in the state, which in this case is the chief of police, shall require all traffic officers under his supervision to return to him a copy of every traffic citation which is spoiled or issued by the officer for the violation of a traffic law or ordinance. The chief administrative officer is also responsible for maintaining a record of the disposition of charges by the court in which the original or copy of the traffic citation was deposited.

CAUSE: The Village failed to ensure policies and procedures over traffic citation administration and processing were followed, resulting in possible violations of Louisiana Revised Statute 39:398.2.

EFFECT: The collection of fines and fees related to traffic citations may not be properly accounted for and violations of Louisiana Revised Statute 39:398.2 may have occurred.

VILLAGE OF MOREAUVILLE, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 2023

RECOMMENDATION: Management of the Village should ensure that all policies and procedures over maintaining, issuing, and accounting for the disposition of traffic citations are implemented and monitored to avoid possible violations of Louisiana State statutes.

MANAGEMENT'S CORRECTIVE ACTION PLAN: As of the date of this report, administrative changes have been made in the police department to ensure that the administration, processing, and accounting of traffic citations are performed in accordance with established policies and procedures as well as in accordance with Louisiana State statutes.

Part II: Prior Year Findings:

A. Internal Control Over Financial Reporting

2022-001 Inadequate Segregation of Functions

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

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

CURRENT STATUS: Unresolved. See item 2023-001.

2022-002 Application of Generally Accepted Accounting Principles (GAAP)

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

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

CURRENT STATUS: Unresolved. See item 2023-002.

2022-003 Utility Accounts Receivable and Customer Deposits Subsidiary Ledger

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

VILLAGE OF MOREAUVILLE, LOUISIANA

Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 2023

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

CURRENT STATUS: Unresolved. See item 2023-003.

B. Compliance

2022-004 Budget noncompliance

CONDITION: Actual expenditures in the Sales Tax fund exceed budgeted expenditures by more than five percent.

RECOMMENDATION: Management should periodically compare actual expenditures to budgeted expenditures in the Sales Tax Fund to identify the need for budget amendments in a timelier manner.

CURRENT STATUS: Resolved.

2022-005 Record Retention Issues

CONDITION: During the course of conducting our audit, it was noted that the Village was unable to provide sufficient supporting documentation for selected transactions as requested.

RECOMMENDATION: The Village should develop policies and procedures to ensure that proper support is maintained for all transactions as required under state statutes.

CURRENT STATUS: Resolved.

Village of Moreauville, Louisiana
Moreauville, Louisiana

Statewide Agreed-Upon Procedures Report

Fiscal Period July 1, 2022 through June 30, 2023

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Mayor,
and Board of Alderman,
Village of Moreauville, and the
Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor’s (LLA’s) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022 through June 30, 2023. The Village of Moreauville’s management is responsible for those C/C areas identified in the SAUPs.

The Village of Moreauville has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA’s SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) *Written Policies and Procedures*

- A. Obtained and inspected the entity’s written policies and procedures and observed that they address each of the following categories and subcategories if applicable to public funds and the entity’s operations:
- i) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - ii) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

- iii) **Disbursements**, including processing, reviewing, and approving.
- iv) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- v) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- vi) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that document is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

We performed the procedures and discussed the results with management.

- xii) **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

2) Board or Finance Committee

- A. Obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- i) Observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - ii) For those entities reporting on the governmental accounting model, we observed that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - iii) For governmental entities, we obtained the prior year audit report and observed the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, we observed that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative assigned fund balance in the general fund.
 - iv) Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

3) Bank Reconciliations

- A. Obtained a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Asked management to identify the entity's main operating account. Selected the entity's main operating account and randomly selected 4 additional accounts (or all accounts if less than 5). Randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for selected each account, and observed that:
- i) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - ii) Bank reconciliations included evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - iii) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement's closing date, if applicable.

4) Collections (excluding electronic funds transfers)

- A. Obtained a listing of deposit_sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly selected 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtained a listing of collection_locations and management's representation that the listing is complete. Randomly selected one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observed that job duties are properly segregated at each collection location such that:
 - i) Employees that are responsible for cash collections do not share cash drawers/registers.
 - ii) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - iii) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - iv) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtained from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observed the bond or insurance policy for theft was enforced during the fiscal period.
- D. Randomly selected two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (selected the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly selected a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtained supporting documentation for each of the 10 deposits and:
 - i) Observed that receipts are sequentially pre-numbered.
 - ii) Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii) Traced the deposit slip total to the actual deposit per the bank statement.

- iv) Observed that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- v) Traced the actual deposit per the bank statement to the general ledger.

5) *Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)*

- A. Obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly selected 5 locations (or all locations if less than 5).
- B. For each location selected under #5A above, obtained a listing of those employees involved with non-payroll purchasing and payment functions. Obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquired of employees about their job duties), and observed that job duties are properly segregated such that:
 - i) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - ii) At least two employees are involved in processing and approving payments to vendors.
 - iii) The employee responsible for processing payments is prohibited from adding/modifying vendor files unless another employee is responsible for periodically reviewing changes to vendor files.
 - iv) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
 - v) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
- C. For each location selected under #5A above, obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. Randomly selected 5 disbursements for each location, obtained supporting documentation for each transaction and:
 - i) Observed whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - ii) Observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B above, as applicable.

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

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

- A. Obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtained management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly selected one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtained supporting documentation, and:
- i) Observed that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - ii) Observed that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under #6B above, excluding fuel cards, randomly selected 10 transactions (or all transactions if less than 10) from each statement, and obtained supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observed that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

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

- A. Obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly selected 5 reimbursements, obtained the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- i) If reimbursed using a per diem, observed the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
- ii) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- iii) Observed that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii.)
- iv) Observed each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

8) Contracts

- A. Obtained from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtained management's representation that the listing is complete. Randomly selected 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - i) Observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - ii) Observed whether the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - iii) If the contract was amended (e.g. change order), observed that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
 - iv) Randomly selected one payment from the fiscal period for each of the 5 contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

9) Payroll and Personnel

- A. Obtained a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly selected 5 employees or officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.

- B. Randomly selected one pay period during the fiscal period. For the 5 employees or officials selected under #9A above, obtained attendance records and leave documentation for the pay period, and:
 - i) Observed all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document their attendance and leave. However, if the official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - ii) Observed whether supervisors approved the attendance and leave of the selected employees or officials.
 - iii) Observed any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - iv) Observed the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
- C. Obtained a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly selected two employees or officials, obtained related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agreed the hours to the employee or official's cumulative leave records, agreed the pay rates to the employee or official's authorized pay rates in the employee or official's personnel files, and agree the termination payment to entity policy.
- D. Obtained management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

10) Ethics

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

11) Debt Service

- A. Obtained a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Selected all debt instruments on the listing, obtained supporting documentation, and observed State Bond Commission approval, as required by Article VII, Section 8 of the Louisiana Constitution, was obtained for each debt instrument issued.
- B. Obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly selected one bond/note, inspected debt covenants, obtained supporting documentation for the reserve balance and payments, and agreed actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

12) Fraud Notice

- A. Obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Selected all misappropriations on the listing, obtained supporting documentation, and observed that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
- B. Observed the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

13) Information Technology Disaster Recovery/ Business Continuity

- A. Performed the following procedures, **verbally discussed the results with management, and report "We performed the procedures and discussed the results with management."**
 - i) Obtained and inspected the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observed that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observed evidence that backups are encrypted before being transported.
 - ii) Obtained and inspected the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquired of personnel responsible for testing/ verifying backup restoration) and observed evidence that the test/verification was successfully performed within the past 3 months.
 - iii) Obtained a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly selected 5 computers and observed while management demonstrated that the selected computers

have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C.

Observe evidence that the selected terminated employees have been removed from or disabled from the network.

We performed the procedures and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employee/officials from Payroll and Personnel procedures #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
- i) Number and percentage of public servants in the agency who have completed the training requirements.
 - ii) Number of sexual harassment complaints received by the agency.
 - iii) Number of complaints which resulted in a finding that sexual harassment occurred.
 - iv) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective actions, and
 - v) The amount of time it took to resolve each complaint.

Findings:

No exceptions were found as a result of applying procedures listed above except:

Written Policies and Procedures

Receipts/Collections – The Village of Moreauville's policies and procedures only cover utility customer receipts/collections.

Payroll/Personnel – The Village of Moreauville’s policies do not include 1) payroll processing procedures and 2) the approval process for employee rates of pay or approval and maintenance of a pay rate schedule.

Sexual Harassment – The Village of Moreauville’s policies do not include a prevention of sexual harassment policy.

Board or Finance Committee

The Village of Moreauville’s council did not receive written updates of the progress of resolving audit findings, according to management’s corrective action plan at each meeting until the findings were considered fully resolved.

Bank Reconciliations

For five of the five monthly bank reconciliations selected for review, management of the Village of Moreauville did not maintain documentation reflecting that it researched reconciling items that had been outstanding for more than 12 months from the statement’s closing date.

Collections

The Village employee responsible for collecting cash is also responsible for preparing the bank deposits, posting collection entries to the general ledger or subsidiary ledgers, and reconciling cash collections to the general ledger by revenue source and/or agency fund additions.

The Village of Moreauville does not issue sequentially pre-numbered receipts for all cash collections.

Non-Payroll Disbursements

The employee responsible for processing payments is not prohibited from adding/modifying vendor files, and no employee is responsible for periodically reviewing changes to vendor files.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

For two of seven transactions selected for testing, the Village of Moreauville did not provide written documentation of the business/public purpose of the transaction.

Ethics

The Village of Moreauville has not appointed an ethics designee as required by R. S. 42:1170.

Fraud Notice

The Village of Moreauville did not have the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds posted on its website.

Prevention of Sexual Harassment

The Village of Moreauville did not prepare a sexual harassment report for the current period as required by R.S. 42:343.

The Village of Moreauville did not have its sexual harassment policy and complaint procedure posted on its website.

Management's Response:

The management of The Village of Moreauville, Louisiana concurs with the exception and are working to address the deficiency identified.

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

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

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

Kolder, Slaven & Company, LLC
Certified Public Accountants

Alexandria, Louisiana
October 18, 2023