

VILLAGE OF MERMENTAU, LOUISIANA

Financial Report

Year Ended June 30, 2020

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

The Honorable Darla Istre, Mayor
and Members of the Board of Aldermen
Village of Mermentau, Louisiana

We have reviewed the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Mermentau, Louisiana (Village), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 35 and 36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information and we do not express an opinion, a conclusion, nor provide any assurance on it.

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

Other Information

The other supplementary information on pages 39 through 44 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. We have not audited or reviewed such information and we do not express an opinion or provide any assurance on them. The prior year comparative information on the comparative statements and schedules has been derived from the Village of Mermentau's 2019 financial statements, which were reviewed by other auditors whose report dated December 13, 2019 did not express an opinion or provide any assurance on them.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
February 12, 2021

BASIC FINANCIAL STATEMENTS

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

VILLAGE OF MERMENTAU, LOUISIANA

Statement of Net Position
June 30, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and interest-bearing deposits	\$ 603,035	\$ 214,990	\$ 818,025
Receivables, net	180	22,010	22,190
Internal balances	8,443	(8,443)	-
Due from other governmental units	17,529	-	17,529
Total current assets	<u>629,187</u>	<u>228,557</u>	<u>857,744</u>
Noncurrent assets:			
Restricted assets -			
Cash and interest-bearing deposits	-	53,020	53,020
Capital assets -			
Land	19,987	22,082	42,069
Capital assets, net	858,114	2,051,507	2,909,621
Total noncurrent assets	<u>878,101</u>	<u>2,126,609</u>	<u>3,004,710</u>
Total assets	<u>1,507,288</u>	<u>2,355,166</u>	<u>3,862,454</u>
LIABILITIES			
Current liabilities:			
Accounts and other payables	5,535	3,734	9,269
Customers' deposits	-	19,275	19,275
Bonds payable	-	29,000	29,000
Accrued interest payable	-	6,801	6,801
Total current liabilities	<u>5,535</u>	<u>58,810</u>	<u>64,345</u>
Noncurrent liabilities:			
Bonds payable	-	524,327	524,327
Total liabilities	<u>5,535</u>	<u>583,137</u>	<u>588,672</u>
NET POSITION			
Net investment in capital assets	878,101	1,520,262	2,398,363
Restricted for sales tax dedications	256,214	-	256,214
Restricted for debt service	-	26,944	26,944
Unrestricted	367,438	224,823	592,261
Total net position	<u>\$ 1,501,753</u>	<u>\$ 1,772,029</u>	<u>\$ 3,273,782</u>

See accompanying notes and independent accountant's review report.

VILLAGE OF MERMENAU, LOUISIANA

Statement of Activities
For the Year Ended June 30, 2020

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	\$ 63,412	\$ 40,837	\$ -	\$ -	\$ (22,575)	\$ -	\$ (22,575)
Public safety	28,038	15,323	-	-	(12,715)	-	(12,715)
Public works	152,291	-	-	-	(152,291)	-	(152,291)
Culture and recreation	749	-	-	-	(749)	-	(749)
Total governmental activities	<u>244,490</u>	<u>56,160</u>	<u>-</u>	<u>-</u>	<u>(188,330)</u>	<u>-</u>	<u>(188,330)</u>
Business-type activities:							
Water	96,493	88,587	21,192	-	-	13,286	13,286
Sewer	139,689	55,949	-	-	-	(83,740)	(83,740)
Total business-type activities	<u>236,182</u>	<u>144,536</u>	<u>21,192</u>	<u>-</u>	<u>-</u>	<u>(70,454)</u>	<u>(70,454)</u>
Total primary government	<u>\$ 480,672</u>	<u>\$ 200,696</u>	<u>\$ 21,192</u>	<u>\$ -</u>	<u>(188,330)</u>	<u>(70,454)</u>	<u>(258,784)</u>
General revenues:							
Taxes -							
Ad valorem taxes					30,444	32,816	63,260
Sales and use taxes, levied for general purposes					73,125	-	73,125
Franchise taxes					48,852	-	48,852
Grants and contributions not restricted to specific programs -							
State sources					10,098	-	10,098
Interest					944	708	1,652
Miscellaneous					13,942	8,109	22,051
Transfers					(21,548)	21,548	-
Total general revenues					<u>155,857</u>	<u>63,181</u>	<u>219,038</u>
Change in net position					(32,473)	(7,273)	(39,746)
Net position - July 1, 2019					<u>1,534,226</u>	<u>1,779,302</u>	<u>3,313,528</u>
Net position - June 30, 2020					<u>\$ 1,501,753</u>	<u>\$ 1,772,029</u>	<u>\$ 3,273,782</u>

See accompanying notes and independent accountant's review report.

FUND FINANCIAL STATEMENTS (FFS)

MAJOR FUND DESCRIPTIONS

General Fund

To account for all financial resources traditionally associated with governments which are not required to be accounted for in another fund.

Sales Tax Fund

To account for the receipt and use of proceeds of the Village's 1979 1% sales and use tax. The tax is dedicated to defraying the cost of improving, maintaining, and operating the Fire Department, streets and thoroughfares, drainage system, waterworks system and sewerage system of the Village.

Enterprise Fund

To account for the provision of water and sewer services to residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

VILLAGE OF MERMENTAU, LOUISIANA

Balance Sheet
Governmental Funds
June 30, 2020

	<u>General</u>	<u>Sales Tax</u>	<u>Total</u>
ASSETS			
Cash and interest-bearing deposits	\$ 353,263	\$ 249,772	\$ 603,035
Franchise fees receivable	180	-	180
Due from other governmental units	8,145	6,540	14,685
Other receivables	<u>8,443</u>	<u>-</u>	<u>8,443</u>
Total assets	<u>\$ 370,031</u>	<u>\$ 256,312</u>	<u>\$ 626,343</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 2,840	\$ 98	\$ 2,938
Other liabilities	<u>2,597</u>	<u>-</u>	<u>2,597</u>
Total liabilities	<u>5,437</u>	<u>98</u>	<u>5,535</u>
Fund balances:			
Restricted	-	256,214	256,214
Unassigned	<u>364,594</u>	<u>-</u>	<u>364,594</u>
Total fund balances	<u>364,594</u>	<u>256,214</u>	<u>620,808</u>
Total liabilities and fund balances	<u>\$ 370,031</u>	<u>\$ 256,312</u>	<u>\$ 626,343</u>

See accompanying notes and independent accountant's review report.

VILLAGE OF MERMENEAU, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2020

Total fund balances for governmental funds at June 30, 2020		\$ 620,808
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 19,987	
Buildings, net of \$67,509 accumulated depreciation	28,649	
Land improvements, net of \$123,348 accumulated depreciation	282,971	
Equipment, net of \$200,706 accumulated depreciation	43,306	
Infrastructure, net of \$547,194 accumulated depreciation	<u>503,188</u>	878,101
Some revenues were not considered measurable at year end and therefore not available soon enough to pay for current period expenditures		
Sales taxes		<u>2,844</u>
Total net position of governmental activities at June 30, 2020		<u>\$1,501,753</u>

See accompanying notes and independent accountant's review report.

VILLAGE OF MERMENTAU, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances -
 Governmental Funds
 Year Ended June 30, 2020

	<u>General</u>	<u>Sales Tax</u>	<u>Total</u>
Revenues:			
Taxes	\$ 79,296	\$ 79,275	\$ 158,571
Licenses and permits	40,837	-	40,837
Intergovernmental revenues	10,098	-	10,098
Fines and forfeits	15,323	-	15,323
Miscellaneous	14,886	-	14,886
Total revenues	<u>160,440</u>	<u>79,275</u>	<u>239,715</u>
Expenditures:			
Current -			
General government	53,430	7,938	61,368
Public safety	26,768	-	26,768
Public works	92,182	-	92,182
Culture and recreation	388	-	388
Total expenditures	<u>172,768</u>	<u>7,938</u>	<u>180,706</u>
Excess (deficiency) of revenues over expenditures	<u>(12,328)</u>	<u>71,337</u>	<u>59,009</u>
Other financing sources (uses):			
Transfers in	15,000	-	15,000
Transfers out	-	(36,548)	(36,548)
Total other financing sources (uses)	<u>15,000</u>	<u>(36,548)</u>	<u>(21,548)</u>
Net changes in fund balances	2,672	34,789	37,461
Fund balances, beginning	<u>361,922</u>	<u>221,425</u>	<u>583,347</u>
Fund balances, ending	<u>\$ 364,594</u>	<u>\$ 256,214</u>	<u>\$ 620,808</u>

See accompanying notes and independent accountant's review report.

VILLAGE OF MERMENTAU, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2020

Total net changes in fund balances at June 30, 2020 per statement of revenues, expenditures and changes in fund balances	\$ 37,461
The change in net position reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation expense for the period ended June 30, 2020	(63,784)
Some revenues were not considered measurable at year end and therefore not available soon enough to pay for current period expenditures	
Sales taxes	<u>(6,150)</u>
Total changes in net position at June 30, 2020 per statement of activities	<u>\$ (32,473)</u>

See accompanying notes and independent accountant's review report.

VILLAGE OF MERMENEAU, LOUISIANA

Statement of Net Position
 Proprietary Fund
 June 30, 2020

	<u>Enterprise Fund</u>
ASSETS	
Current assets:	
Cash and interest-bearing deposits	\$ 214,990
Receivables -	
Accounts, net	13,531
Unbilled utility receivables	<u>8,479</u>
Total current assets	<u>237,000</u>
Noncurrent assets:	
Restricted assets -	
Cash and interest-bearing deposits	53,020
Capital assets -	
Land	22,082
Capital assets, net	<u>2,051,507</u>
Total noncurrent assets	<u>2,126,609</u>
Total assets	<u>2,363,609</u>
LIABILITIES	
Current liabilities:	
Accounts payable	1,794
Accrued liabilities	1,940
Due to other funds	8,443
Payable from restricted assets -	
Customers' deposits	19,275
Bonds payable	29,000
Accrued interest payable	<u>6,801</u>
Total current liabilities	67,253
Noncurrent liabilities:	
Bonds payable	<u>524,327</u>
Total liabilities	<u>591,580</u>
NET POSITION	
Net investment in capital assets	1,520,262
Restricted for debt service	26,944
Unrestricted	<u>224,823</u>
Total net position	<u>\$ 1,772,029</u>

See accompanying notes and independent accountant's review report.

VILLAGE OF MERMENEAU, LOUISIANA

Statement of Revenues, Expenses, and Changes in Fund Net Position -
 Proprietary Fund
 Year Ended June 30, 2020

	<u>Enterprise Fund</u>
Operating revenues:	
Charges for services -	
Water sales	\$ 88,587
Sewer service charge	55,949
Other	<u>8,109</u>
Total operating revenues	<u>152,645</u>
Operating expenses:	
Salaries	42,154
Payroll taxes	3,957
Group insurance	9,213
Utilities and telephone	15,550
Repairs and maintenance	12,748
Legal and professional	44,668
Insurance	1,833
Office supplies and expense	4,281
Depreciation	72,380
Other	<u>11,598</u>
Total operating expenses	<u>218,382</u>
Operating loss	<u>(65,737)</u>
Nonoperating revenues (expenses):	
Ad valorem taxes	32,816
Grant income	21,192
Interest income	708
Interest expense	<u>(17,800)</u>
Total nonoperating revenues (expenses)	<u>36,916</u>
Loss before transfers	(28,821)
Transfers in	<u>21,548</u>
Change in net position	(7,273)
Net position, beginning	<u>1,779,302</u>
Net position, ending	<u>\$ 1,772,029</u>

See accompanying notes and independent accountant's review report.

VILLAGE OF MERMENTAU, LOUISIANA

Statement of Cash Flows
 Proprietary Fund
 Year Ended June 30, 2020

	<u>Enterprise Fund</u>
Cash flows from operating activities:	
Receipts from customers	\$ 136,375
Payments to suppliers	(92,385)
Payments to employees	(55,324)
Other receipts	<u>8,109</u>
Net cash used by operating activities	<u>(3,225)</u>
Cash flows from noncapital financing activities:	
Cash received from other funds	3,002
Transfers from other funds	21,548
Ad valorem taxes	32,816
Grant revenue	21,192
Net increase in customer meter deposits	<u>1,050</u>
Net cash provided by noncapital financing activities	<u>79,608</u>
Cash flows from capital and related financing activities:	
Principal paid on revenue bonds payable	(28,000)
Interest and fiscal charges paid on debt	<u>(19,574)</u>
Net cash used by capital and related financing activities	<u>(47,574)</u>
Cash flows from investing activities:	
Proceeds of interest-bearing deposits with maturity in excess of ninety days	86,755
Purchase of interest-bearing deposits with maturity in excess of ninety days	(87,743)
Interest on investments	<u>708</u>
Net cash used by investing activities	<u>(280)</u>
Net increase in cash and cash equivalents	28,529
Cash and cash equivalents, beginning of period	<u>151,738</u>
Cash and cash equivalents, end of period	<u>\$ 180,267</u>

(continued)

VILLAGE OF MERMENTAU, LOUISIANA

Statement of Cash Flows (Continued)
 Proprietary Fund
 Year Ended June 30, 2020

	<u>Enterprise Fund</u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (65,737)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	72,380
Changes in current assets and liabilities:	
Increase in accounts receivable	(5,893)
Increase in unbilled services receivable	(2,268)
Decrease in accounts payable	(3,210)
Increase in accrued liabilities	1,503
Total adjustments	<u>62,512</u>
Net cash used by operating activities	<u>\$ (3,225)</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:	
Cash and cash equivalents, beginning of period -	
Cash and interest-bearing deposits - unrestricted	\$ 184,339
Cash and interest-bearing deposits - restricted	54,154
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(86,755)</u>
Total cash and cash equivalents	<u>151,738</u>
Cash and cash equivalents, end of period -	
Cash and interest-bearing deposits - unrestricted	214,990
Cash and interest-bearing deposits - restricted	53,020
Less: Interest-bearing deposits with maturity in excess of 90 days	<u>(87,743)</u>
Total cash and cash equivalents	<u>180,267</u>
Net increase in cash and cash equivalents	<u>\$ 28,529</u>

See accompanying notes and independent accountant's review report.

VILLAGE OF MERMENTAU, LOUISIANA

Notes to the Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Village of Mermentau (Village) have been prepared in conformity with generally accepted accounting principles in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

The Village of Mermentau (Village) was incorporated June 1, 1899, under the provisions of the Lawrason Act. The Village operates under the Mayor-Board of Aldermen form of government and provides the following services to its residents as authorized by its charter: public safety (police), highways and streets, recreation, public improvements, and general administrative services. The Village also operates one enterprise activity, which provides water and sewer services.

This report includes all funds that 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 was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

Based on the foregoing criteria, there are no organizations or agencies which should be included in these basic financial statements as component units.

B. Basis of Presentation

The Village's basic financial statement consist of the government-wide statements on all of the activities of the government and the fund financial statements. The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

VILLAGE OF MERMENEAU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the Village and for each function of the Village's governmental activities. Direct expenses are those that are specifically associated with a program or function and therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The accounts of the Village are organized and operated on the basis of funds. A fund 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.

The various funds of the Village are classified into two categories: governmental and proprietary. The emphasis on 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 that 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 that are required to be accounted for in another fund.

VILLAGE OF MERMENTAU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Sales Tax Fund –

The Sales Tax Fund is used to account for the collection and disbursement of the Villages 1% sales and use tax levies. These taxes are dedicated as described in Note 12.

Proprietary Fund -

Enterprise Fund

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, or other purposes.

The Village of Mermentau's enterprise fund is the Utility Fund.

The emphasis in the fund financial statements is on the major funds in either the governmental or business-type activities categories. GASB No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues, or expenditures/expenses of either fund category of the governmental and propriety funds combined) for the determination of major 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” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b.

VILLAGE OF MERMENTAU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

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

- a. 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.
- b. 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 statement 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, and liabilities 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 fund utilizes 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.

VILLAGE OF MERMENTAU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

D. Assets, Liabilities, and Equity

Cash and interest-bearing deposits

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

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." 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.

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. Business-type activities report customer's utility service receivables as their major receivables. Uncollectible amounts due for customers' utility receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. The allowance for uncollectibles for customers' utility receivables was \$10,494 at June 30, 2020. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year-end.

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 or fund financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Village maintains a threshold level of \$500 or more for capitalizing capital assets.

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 October 1, 2002, some governmental funds' infrastructure assets were not capitalized. These assets have been valued at estimated historical cost.

VILLAGE OF MERMENTAU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

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

Buildings and improvements	8 - 41 years
Improvements, other than buildings	30 years
Machinery and equipment	3 - 15 years
Infrastructure	20 years
Water utility system	5 - 50 years
Sewer utility system	7 - 50 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.

Restricted Assets

Restricted assets include cash and interest-bearing deposits of the proprietary fund that are legally restricted as to their use. The restricted assets are related to the revenue bond accounts and utility meter deposits.

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 debts to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists of the general obligation bonds 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

Village employees earn a set amount of annual vacation leave depending on years of service. Vacation cannot be accumulated and compensation in lieu of vacation is not paid. In addition, the Village does not grant sick leave to its employees. Therefore, no provision for compensated absences has been made in the financial statements.

VILLAGE OF MERMENEAU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Equity Classifications

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

- a. Net investment in capital assets – Consists of net capital assets reduced by outstanding balances of any related debt obligations attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Net position is considered restricted if the use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or buyers of the Village's debt. Restricted net position is reduced by liabilities related to the restricted assets.
- c. Unrestricted net position – Consists of all other net position that does not meet the definition of the two components and is available for general use by the Village.

The government-wide statement of net position reports \$283,158 of restricted net position, of which \$256,214 is restricted by enabling legislation.

In the fund statements, governmental fund equity is classified as fund balance. As such, fund balances of the governmental funds are classified as follows:

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Village's Mayor and Board or Aldermen, which is the highest level of decision-making authority for the Village.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but are intended to be used for specific purposes determined by a formal decision of the Village's Mayor and Board of Aldermen.
- e. Unassigned – all other spendable amounts.

VILLAGE OF MERMENEAU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

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 balances 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 their commitment or assignment actions.

Proprietary (Utility) 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.

Expenditures/Expenses

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

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

Governmental Funds - By Character

Proprietary Fund - By Operating and Nonoperating

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

Interfund Transfers

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

VILLAGE OF MERMENTAU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

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 12
Water and sewer revenue	Debt service and utility operations

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

G. Capitalization of Interest Expense

It is the policy of the Village of Mermentau to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets. For the year ending June 30, 2020, there were no borrowings for assets under construction and no capitalized interest expense was recorded on the books. Total interest incurred and expensed for the year ending June 30, 2020 for the proprietary fund and the business-type activities was \$17,800.

Total interest incurred and expensed for the year ended June 30, 2020 for the governmental funds and the governmental activities was \$0.

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

I. Reclassifications

For comparative purposes, certain accounts in the prior year financial statements have been reclassified in order to conform to the presentation of the current year statements.

VILLAGE OF MERMENTAU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(2) Cash and Interest-Bearing Deposits

Under state law, the Village may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Village may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2020, the Village had cash and interest-bearing deposits (book balances) as follows:

Demand deposits	\$ 677,031
Time deposits	<u>194,014</u>
Total	<u>\$ 871,045</u>

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. Under state law, these deposits, (or resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. These deposits are stated at cost, which approximates market. Deposit balances (bank balances) at June 30, 2020 were secured as follows:

Bank balances	<u>\$ 872,849</u>
Federal deposit insurance	\$ 500,000
Pledged securities	<u>372,849</u>
Total federal deposit insurance and pledged securities	<u>\$ 872,849</u>

Deposits in the amount of \$372,849 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the Village's name. The Village does not have a policy for custodial credit risk.

(3) Ad Valorem Taxes

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

For the year ended June 30, 2020, taxes of 24.09 mills were levied on property with assessed valuations totaling \$2,725,889 and were dedicated as follows:

Governmental activities –

For the year ended June 30, 2020, property taxes of 11.67 mills were levied for general corporate purposes on assessed valuations totaling \$2,725,889. Total taxes levied were \$31,812. Substantially all property taxes have been collected as of June 30, 2020.

VILLAGE OF MERMENTAU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Business type activities –

In 2014, the Village residents voted for a 12.42 mill tax for debt service on the Utility Fund's water treatment facility to service the indebtedness on the bonds issued to facilitate construction of the project. The tax was levied for the first time in September 2015. For the year ended June 30, 2020, property taxes of 12.42 mills were levied for debt service on assessed valuations totaling \$2,725,889. Total taxes levied were \$33,856. Substantially, all property taxes have been collected as June 30, 2020.

(4) Receivables

Receivables at June 30, 2020 of \$22,190 consist of the following:

	<u>General</u>	<u>Utility</u>	<u>Total</u>
Accounts	\$ -	\$ 13,531	\$ 13,531
Unbilled utility	-	8,479	8,479
Franchise tax	<u>180</u>	<u>-</u>	<u>180</u>
Totals	<u>\$ 180</u>	<u>\$ 22,010</u>	<u>\$ 22,190</u>

(5) Due from Other Governmental Units

Amounts due from other governmental units in the amount of \$17,529 at June 30, 2020 consisted of the following:

Governmental Activities:

General Fund -

Amount due from Louisiana Department of Revenue for state fees	\$ 115
Amount due from Southwest Acadia Consolidated Housing Authority for payment in lieu taxes for the fiscal year ended June 30, 2020	8,030
Amount due from Acadia Parish School Board for June 2020 sales tax	<u>6,540</u>
Total governmental activities	14,685

Government-wide financial statements:

Additional sales and use taxes due from the Acadia Parish School Board	<u>2,844</u>
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Total Due from Other Governmental Units \$ 17,529

(6) Restricted Assets - Proprietary Fund Type

Restricted assets consisted of the following at June 30, 2020:

Customers' deposits	\$ 19,275
Bond debt service	<u>33,745</u>
	<u>\$ 53,020</u>

VILLAGE OF MERMENEAU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(7) Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance 07/01/19	Additions	Deletions	Balance 06/30/20
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 19,987	\$ -	\$ -	\$ 19,987
Other capital assets:				
Buildings and improvements	96,158	-	-	96,158
Land improvements	406,319	-	-	406,319
Machinery and equipment	244,012	-	-	244,012
Infrastructure	<u>1,050,382</u>	<u>-</u>	<u>-</u>	<u>1,050,382</u>
Totals	<u>1,816,858</u>	<u>-</u>	<u>-</u>	<u>1,816,858</u>
Less accumulated depreciation				
Buildings and improvements	65,237	2,272	-	67,509
Land improvements	109,658	13,690	-	123,348
Machinery and equipment	183,380	17,326	-	200,706
Infrastructure	<u>516,698</u>	<u>30,496</u>	<u>-</u>	<u>547,194</u>
Total accumulated depreciation	<u>874,973</u>	<u>63,784</u>	<u>-</u>	<u>938,757</u>
Governmental activities, capital assets, net	<u>\$ 941,885</u>	<u>\$ (63,784)</u>	<u>\$ -</u>	<u>\$ 878,101</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 22,082	\$ -	\$ -	\$ 22,082
Other capital assets:				
Water utility system	362,577	-	-	362,577
Sewer utility system	3,120,239	-	-	3,120,239
Machinery and equipment	<u>47,416</u>	<u>-</u>	<u>-</u>	<u>47,416</u>
Totals	<u>3,552,314</u>	<u>-</u>	<u>-</u>	<u>3,552,314</u>
Less accumulated depreciation				
Water utility system	298,142	3,296	-	301,438
Sewer utility system	1,062,244	68,740	-	1,130,984
Machinery and equipment	<u>45,959</u>	<u>344</u>	<u>-</u>	<u>46,303</u>
Total accumulated depreciation	<u>1,406,345</u>	<u>72,380</u>	<u>-</u>	<u>1,478,725</u>
Business-type activities, capital assets, net	<u>\$2,145,969</u>	<u>\$ (72,380)</u>	<u>\$ -</u>	<u>\$2,073,589</u>

VILLAGE OF MERMENTAU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 2,044
Public safety	1,270
Public works	60,109
Culture and recreation	<u>361</u>
Total depreciation expense	<u>\$ 63,784</u>

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

Water	\$ 3,640
Sewer	<u>68,740</u>
Total depreciation expense	<u>\$ 72,380</u>

(8) Accounts and Other Payables

The accounts and other payables in the amount of \$9,269 consisted of the following at June 30, 2020:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Accounts	\$ 2,938	\$ 1,794	\$ 4,732
Other liabilities	<u>2,597</u>	<u>1,940</u>	<u>4,537</u>
Totals	<u>\$ 5,535</u>	<u>\$ 3,734</u>	<u>\$ 9,269</u>

(9) Changes in Long-Term Debt

The following is a summary of long-term debt transactions of the Village for the year ended June 30, 2020:

	<u>June 30, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2020</u>	<u>Current Portion</u>
<u>Business-type activities:</u>					
General obligation bonds	<u>\$581,327</u>	<u>\$ -</u>	<u>\$ 28,000</u>	<u>\$ 553,327</u>	<u>\$ 29,000</u>

Long-term debt outstanding at June 30, 2020 is as follows:

\$672,327 Taxable General Obligation Bonds, Series 2014, sold to the Louisiana Drinking Water Revolving Loan Fund, due in annual installments of \$29,000 to \$46,327 through August 1, 2034; interest at 2.45%, payable from utility system revenues	<u>\$ 553,327</u>
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VILLAGE OF MERMENTAU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

Through June 30, 2020, cumulative draws of \$960,467 were made on the State Revolving Loan Fund of which 30%, or \$288,140, is the cumulative amount of debt forgiveness that has been recorded as grant revenue in the Utility Fund.

The annual debt service requirements to maturity for long-term debt as of June 30, 2020 are as follows:

Year Ending June 30	Business-type Activities		
	Principal Payments	Interest Payments	Totals
2021	\$ 29,000	\$ 15,895	\$ 44,895
2022	30,000	15,025	45,025
2023	31,000	14,125	45,125
2024	32,000	13,196	45,196
2025	33,000	12,237	45,237
2026 - 2030	182,000	45,714	227,714
2031 - 2035	216,327	16,418	232,745
	<u>\$ 553,327</u>	<u>\$ 132,610</u>	<u>\$ 685,937</u>

(10) Retirement Commitment

All employees of the Village of Mermentau are members of the Federal Social Security system. The Village and its employees contribute a percentage of each employee's salary to the system (7.65% contributed by the Village; 7.65% by the employee). Total covered wages for the years ended June 30, 2020 totaled \$98,741. The Village's contribution during the year ended June 30, 2020 amounted to \$7,554.

(11) Contingencies

The Village operates a Sanitary Wastewater Disposal System under a NPEDS permit. The NPEDS permit and State permit under which the discharge is regulated has been the subject of scrutiny by the Environmental Protection Agency (EPA) and the Department of Environmental Quality. The Village is under an Administrative Order to upgrade its facility in order to comply with the permit and the expected more stringent permit discharges. The Village has been cited for past violations and a compliance order was issued. The Village has completed the building and rehabilitation of the sewer pond and the addition of a marsh/rockweed filter to achieve those limits. The Village continues to make efforts to comply with the permit limitations for discharge and to maintain the plant in accordance with those standards. During fiscal year 2010, the Village began a sewer rehabilitation project that is being funded via a Louisiana Community Development Block Grant. While the Village is making efforts to resolve the violations detailed in the Administrative Order, the EPA is authorized to assess appropriate penalties if the violations are not corrected. As of June 30, 2020, the Village has not been assessed any such penalties.

In the normal course of operations, the Village receives grant funds from various Federal and State agencies. The grant programs are subject to audits by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement, which may arise as a result of these audits, is not believed to be material.

VILLAGE OF MERMENTAU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(12) Dedication of Proceeds and Flow of Funds - Sales and Use Taxes

Proceeds of the 1979 1% sales and use tax are accounted for in the Sales Tax Fund as are dedicated to the following purposes:

1. Defraying the cost of improving, maintaining, and operating the Fire Department of the Village,
2. Defraying the cost of improving and maintaining the streets and thoroughfares of the Village,
3. Defraying the cost of improving, maintaining, and operating the Drainage System of the Village,
4. Defraying the cost of improving, operating, and maintaining the Waterworks System of the Village, and
5. Defraying the cost of improving, operating, and maintaining the Sewerage System of the Village.

(13) Departmental Information for the Enterprise Fund

The Village of Mermentau maintains one enterprise fund with two departments, which provide water and sewerage services. Departmental information for the year ended June 30, 2020 was as follows:

	<u>Water Department</u>	<u>Sewerage Department</u>	<u>Total Enterprise Fund</u>
Charges for services and other revenues	<u>\$ 93,557</u>	<u>\$ 59,088</u>	<u>\$ 152,645</u>
Operating expenses -			
Depreciation	3,640	68,740	72,380
Other expenses	<u>81,943</u>	<u>64,059</u>	<u>146,002</u>
Total operating expenses	<u>85,583</u>	<u>132,799</u>	<u>218,382</u>
Operating income (loss)	<u>\$ 7,974</u>	<u>\$ (73,711)</u>	<u>\$ (65,737)</u>

(14) Risk Management

The Village is exposed to risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. 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 coverage for the past three years.

VILLAGE OF MERMENEAU, LOUISIANA

Notes to the Basic Financial Statements (Continued)

(15) Interfund Transactions

A. Receivables and Payables

Interfund receivables and payables consisted of the following at June 30, 2020:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Funds:		
Governmental Funds -		
General Fund	\$ 8,443	\$ -
Proprietary Fund -		
Utility Fund	-	8,443
Total	<u>\$ 8,443</u>	<u>\$ 8,443</u>

Transfers are recorded in the year in which they were budgeted. However, the amounts are not always paid in that same year; therefore, causing balances as noted above. These balances are expected to be paid within the next fiscal year.

B. Interfund transfers

Interfund transfers consisted of the following at June 30, 2020:

	<u>Interfund Transfers In</u>	<u>Interfund Transfers Out</u>
Major Funds:		
Governmental Funds -		
General Fund	\$ 15,000	\$ -
Sales Tax Fund	-	36,548
Proprietary Fund -		
Utility Fund	21,548	-
Total	<u>\$ 36,548</u>	<u>\$ 36,548</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.

VILLAGE OF MERMENTAU, LOUISIANA
Notes to the Basic Financial Statements (Continued)

(16) Compensation of Village Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended June 30, 2020 follows:

Darla Istre, Mayor	\$ 1,080
Aldermen:	
Todd Boudreaux	360
Troy Cormier	360
Joshua Landry	360
	\$ 2,160

The Mayor receives \$90 per month and Aldermen receive \$30 per month.

(17) Compensation, Benefits, and Other Payments to Agency Head

The schedule of compensation, benefits, and other payments to the Mayor, follows:

Schedule of Benefits to Darla Istre, Mayor	
Salary	\$ 1,080

(18) Lease Agreement

The Village entered into a lease agreement with a communications company on October 12, 2009 that replaced a previous agreement, allowing the company to access and install radio transmitting equipment on the Village's water tower. The lease requires the lessee to pay the Village \$750 per month. The lease agreement ended on August 31, 2019. The lease agreement provided for an optional five-year renewal. The Village renewed the lease agreement extending the lease until August 31, 2024.

(19) Subsequent Event

As a result of the spread of the COVID 19 coronavirus, economic uncertainties have arisen which may have and may continue to impact the Village's ongoing operations. The extent and severity of the potential impact on future operations is unknown at this time.

**REQUIRED SUPPLEMENTARY
INFORMATION**

VILLAGE OF MERMENTAU, LOUISIANA
General Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2020

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 63,000	\$ 63,000	\$ 79,296	\$ 16,296
Licenses and permits	35,100	35,100	40,837	5,737
Intergovernmental revenues	7,100	7,100	10,098	2,998
Fines and forfeits	25,000	25,000	15,323	(9,677)
Miscellaneous	2,300	2,300	14,886	12,586
Total revenues	<u>132,500</u>	<u>132,500</u>	<u>160,440</u>	<u>27,940</u>
Expenditures:				
Current -				
General government	55,738	55,738	53,430	2,308
Public safety	26,150	26,150	26,768	(618)
Public works	89,912	89,912	92,182	(2,270)
Culture and recreation	3,700	3,700	388	3,312
Total expenditures	<u>175,500</u>	<u>175,500</u>	<u>172,768</u>	<u>2,732</u>
Deficiency of revenues over expenditures	(43,000)	(43,000)	(12,328)	30,672
Other financing sources:				
Transfers in	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Net change in fund balance	(28,000)	(28,000)	2,672	30,672
Fund balance, beginning	<u>361,922</u>	<u>361,922</u>	<u>361,922</u>	<u>-</u>
Fund balance, ending	<u>\$ 333,922</u>	<u>\$ 333,922</u>	<u>\$ 364,594</u>	<u>\$ 30,672</u>

VILLAGE OF MERMENTAU, LOUISIANA
Sales Tax Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2020

	Budget		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
Taxes - sales taxes	\$ 32,335	\$ 32,335	\$ 79,275	\$ 46,940
Expenditures:				
Current -				
General government:				
Legal and professional	13,685	13,685	6,600	7,085
Collection expense	1,500	1,500	1,338	162
Total general government	15,185	15,185	7,938	7,247
Excess of revenues over expenditures	17,150	17,150	71,337	54,187
Other financing uses:				
Transfers out	(17,150)	(17,150)	(36,548)	(19,398)
Net change in fund balance	-	-	34,789	34,789
Fund balance, beginning	221,425	221,425	221,425	-
Fund balance, ending	\$ 221,425	\$ 221,425	\$ 256,214	\$ 34,789

VILLAGE OF MERMENAU, LOUISIANA

Notes to the Required Supplementary Information

(1) Budget and Budgetary Accounting

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

1. Prior to June 15, the Village Clerk submits to the Mayor and Board of Aldermen a proposed operating budget for the fiscal year commencing the following July 1.
2. A summary of the proposed budget is published, and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program, or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board of Aldermen. Such amendments were not material in relation to the original appropriations.

(2) Excess of Expenditures Over Appropriations

For the year ended June 30, 2020, the following General Fund had actual expenditures over appropriations, at the functional level, as follows:

Fund and Function	Budget	Actual	Excess
General Fund:			
Public safety	\$ 26,150	\$ 26,768	\$ (618)
Public works	89,912	92,182	(2,270)

OTHER SUPPLEMENTARY INFORMATION

VILLAGE OF MERMENTAU, LOUISIANA

Statement of Net Position
 June 30, 2020
 With Comparative Totals for June 30, 2019

	2020			2019 Totals
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Current assets:				
Cash and interest-bearing deposits	\$ 603,035	\$ 214,990	\$ 818,025	\$ 759,747
Receivables, net	180	22,010	22,190	15,129
Internal balances	8,443	(8,443)	-	-
Due from other governmental units	17,529	-	17,529	15,094
Total current assets	<u>629,187</u>	<u>228,557</u>	<u>857,744</u>	<u>789,970</u>
Noncurrent assets:				
Restricted assets:				
Cash and interest-bearing deposits	-	53,020	53,020	54,154
Capital assets:				
Land	19,987	22,082	42,069	42,069
Capital assets, net	<u>858,114</u>	<u>2,051,507</u>	<u>2,909,621</u>	<u>3,045,785</u>
Total noncurrent assets	<u>878,101</u>	<u>2,126,609</u>	<u>3,004,710</u>	<u>3,142,008</u>
Total assets	<u>1,507,288</u>	<u>2,355,166</u>	<u>3,862,454</u>	<u>3,931,978</u>
LIABILITIES				
Current liabilities:				
Accounts and other payables	5,535	3,734	9,269	10,323
Payable from restricted assets:				
Customers' deposits	-	19,275	19,275	18,225
Bonds payable	-	29,000	29,000	28,000
Accrued interest payable	-	6,801	6,801	8,575
Total current liabilities	<u>5,535</u>	<u>58,810</u>	<u>64,345</u>	<u>65,123</u>
Noncurrent liabilities:				
Bonds payable	-	524,327	524,327	553,327
Total liabilities	<u>5,535</u>	<u>583,137</u>	<u>588,672</u>	<u>618,450</u>
NET POSITION				
Net investment in capital assets	878,101	1,520,262	2,398,363	2,506,527
Restricted for sales tax dedications	256,214	-	256,214	221,425
Restricted for debt service	-	26,944	26,944	27,354
Unrestricted	<u>367,438</u>	<u>224,823</u>	<u>592,261</u>	<u>558,222</u>
Total net position	<u>\$1,501,753</u>	<u>\$1,772,029</u>	<u>\$3,273,782</u>	<u>\$3,313,528</u>

VILLAGE OF MERMENTAU, LOUISIANA
General Fund

Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020		Actual	Variance - Positive (Negative)	2019 Actual
	Budget				
	Original	Final			
Revenues:					
Taxes -					
Ad valorem taxes	\$ 30,000	\$ 30,000	\$ 30,444	\$ 444	\$ 31,972
Franchise - electric	28,000	28,000	44,237	16,237	32,174
Franchise - telephone	2,000	2,000	1,100	(900)	795
Franchise - gas	3,000	3,000	3,515	515	-
Total taxes	<u>63,000</u>	<u>63,000</u>	<u>79,296</u>	<u>16,296</u>	<u>64,941</u>
Licenses and permits -					
Licenses	35,000	35,000	40,117	5,117	61,442
Permits	100	100	720	620	710
Total licenses and permits	<u>35,100</u>	<u>35,100</u>	<u>40,837</u>	<u>5,737</u>	<u>62,152</u>
Intergovernmental revenues -					
State of Louisiana:					
Housing Authority payment in lieu of taxes	4,000	4,000	8,030	4,030	7,135
Beer taxes	1,000	1,000	751	(249)	723
Video poker	1,000	1,000	702	(298)	892
Highway maintenance fees	1,100	1,100	615	(485)	1,237
Total intergovernmental revenues	<u>7,100</u>	<u>7,100</u>	<u>10,098</u>	<u>2,998</u>	<u>9,987</u>
Fines and forfeits	<u>25,000</u>	<u>25,000</u>	<u>15,323</u>	<u>(9,677)</u>	<u>15,901</u>
Miscellaneous -					
Interest income	1,800	1,800	944	(856)	163
Other sources	500	500	13,942	13,442	19,485
Total miscellaneous	<u>2,300</u>	<u>2,300</u>	<u>14,886</u>	<u>12,586</u>	<u>19,648</u>
Total revenues	<u>\$ 132,500</u>	<u>\$ 132,500</u>	<u>\$ 160,440</u>	<u>\$ 27,940</u>	<u>\$ 172,629</u>

VILLAGE OF MERMENAU, LOUISIANA
General Fund

Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020		Actual	Variance - Positive (Negative)	2019 Actual
	Budget				
	Original	Final			
Current -					
General government:					
Salaries and wages	\$ 16,330	\$ 16,330	\$ 16,925	\$ (595)	\$ 13,103
Payroll taxes	500	500	1,332	(832)	588
Retirement contributions	700	700	-	700	-
Office supplies	4,000	4,000	3,108	892	4,855
Dues and subscriptions	500	500	340	160	340
Utilities	8,200	8,200	7,124	1,076	7,657
Repairs and maintenance	1,200	1,200	1,471	(271)	635
Insurance	600	600	627	(27)	627
Printing and postage	1,800	1,800	2,532	(732)	1,930
Professional services	14,208	14,208	12,446	1,762	18,277
Collection fees	3,500	3,500	2,710	790	3,237
Miscellaneous	4,200	4,200	4,815	(615)	2,899
Total general government	<u>55,738</u>	<u>55,738</u>	<u>53,430</u>	<u>2,308</u>	<u>54,148</u>
Public safety:					
Police department -					
Salaries and wages	12,100	12,100	12,000	100	8,401
Payroll taxes	150	150	931	(781)	616
Materials and supplies	7,400	7,400	3,691	3,709	4,140
Repairs and maintenance	3,500	3,500	2,303	1,197	2,571
Insurance	1,000	1,000	4,303	(3,303)	1,320
Miscellaneous	2,000	2,000	3,540	(1,540)	1,224
Total public safety	<u>26,150</u>	<u>26,150</u>	<u>26,768</u>	<u>(618)</u>	<u>18,272</u>
Public works:					
Salaries and wages	25,500	25,500	27,662	(2,162)	25,479
Payroll taxes	1,925	1,925	2,604	(679)	1,692
Materials and supplies	4,000	4,000	3,189	811	3,796
Utilities	14,100	14,100	15,077	(977)	15,672
Repairs and maintenance	12,987	12,987	12,519	468	20,820
Insurance	29,500	29,500	29,119	381	28,606
Miscellaneous	1,900	1,900	2,012	(112)	180
Total public works	<u>89,912</u>	<u>89,912</u>	<u>92,182</u>	<u>(2,270)</u>	<u>96,245</u>
Culture and recreation:					
Utilities	1,700	1,700	388	1,312	367
Repairs and maintenance	2,000	2,000	-	2,000	480
Total culture and recreation	<u>3,700</u>	<u>3,700</u>	<u>388</u>	<u>3,312</u>	<u>847</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,360</u>
Total expenditures	<u>\$ 175,500</u>	<u>\$ 175,500</u>	<u>\$ 172,768</u>	<u>\$ 2,732</u>	<u>\$ 199,872</u>

VILLAGE OF MERMENEAU, LOUISIANA
Sales Tax Fund

Budgetary Comparison Schedule
For the Year Ended June 30, 2020
With Comparative Actual Amounts for the Year Ended June 30, 2019

	2020		Actual	Variance - Positive (Negative)	2019 Actual
	Budget				
	Original	Final			
Revenues:					
Taxes - sales taxes	\$ 32,335	\$ 32,335	\$ 79,275	\$ 46,940	\$ 68,036
Expenditures:					
Current -					
General government:					
Legal and professional	13,685	13,685	6,600	7,085	-
Collection expense	1,500	1,500	1,338	162	1,683
Total general government	15,185	15,185	7,938	7,247	1,683
Excess of revenues over expenditures	17,150	17,150	71,337	54,187	66,353
Other financing uses:					
Transfers out	(17,150)	(17,150)	(36,548)	(19,398)	(32,429)
Net change in fund balance	-	-	34,789	34,789	33,924
Fund balance, beginning	221,425	221,425	221,425	-	187,501
Fund balance, ending	\$ 221,425	\$ 221,425	\$ 256,214	\$ 34,789	\$ 221,425

VILLAGE OF MERMENEAU, LOUISIANA

Comparative Statement of Net Position
 Proprietary Fund
 June 30, 2020 and 2019

	<u>Enterprise Fund</u>	
	<u>2020</u>	<u>2019</u>
ASSETS		
Current assets:		
Cash and interest-bearing deposits	\$ 214,990	\$ 184,339
Receivables -		
Accounts, net	13,531	7,638
Unbilled utility receivables	<u>8,479</u>	<u>6,211</u>
Total current assets	<u>237,000</u>	<u>198,188</u>
Noncurrent assets:		
Restricted assets -		
Cash and interest-bearing deposits	53,020	54,154
Capital assets -		
Land and construction in progress	22,082	22,082
Capital assets, net	<u>2,051,507</u>	<u>2,123,887</u>
Total noncurrent assets	<u>2,126,609</u>	<u>2,200,123</u>
Total assets	<u>2,363,609</u>	<u>2,398,311</u>
LIABILITIES		
Current liabilities:		
Accounts payable	1,794	5,004
Other liabilities	1,940	437
Due to other funds	8,443	5,441
Payable from restricted assets -		
Customers' deposits	19,275	18,225
Bonds payable	29,000	28,000
Accrued interest payable	<u>6,801</u>	<u>8,575</u>
Total current liabilities	67,253	65,682
Noncurrent liabilities:		
Bonds payable	<u>524,327</u>	<u>553,327</u>
Total liabilities	<u>591,580</u>	<u>619,009</u>
NET POSITION		
Net investment in capital assets	1,520,262	1,564,642
Restricted for debt service	26,944	27,354
Unrestricted	<u>224,823</u>	<u>187,306</u>
Total net position	<u>\$ 1,772,029</u>	<u>\$ 1,779,302</u>

VILLAGE OF MERMENAU, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Departmental Analysis of Revenues and Expenses
Years Ended June 30, 2020 and 2019

	Totals		Water		Sewer	
	2020	2019	2020	2019	2020	2019
Operating revenue:						
Charges for services	\$ 144,536	\$ 109,853	\$ 88,587	\$ 68,650	\$ 55,949	\$ 41,203
Other	8,109	8,879	4,970	5,549	3,139	3,330
Total operating revenues	<u>152,645</u>	<u>118,732</u>	<u>93,557</u>	<u>74,199</u>	<u>59,088</u>	<u>44,533</u>
Operating expenses:						
Salaries	42,154	41,348	25,836	25,840	16,318	15,508
Payroll taxes	3,957	2,215	2,425	1,384	1,532	831
Group insurance	9,213	10,365	5,647	6,477	3,566	3,888
Depreciation	72,380	76,644	3,640	5,469	68,740	71,175
Utilities and telephone	15,550	17,678	3,404	3,950	12,146	13,728
Repairs and maintenance	12,748	31,956	6,399	14,852	6,349	17,104
Office supplies and expense	4,281	2,379	2,624	1,487	1,657	892
Legal and professional	44,668	63,658	27,377	39,782	17,291	23,876
Insurance	1,833	1,833	1,123	1,145	710	688
Other	11,598	4,610	7,108	2,693	4,490	1,917
Total operating expenses	<u>218,382</u>	<u>252,686</u>	<u>85,583</u>	<u>103,079</u>	<u>132,799</u>	<u>149,607</u>
Operating income (loss)	<u>(65,737)</u>	<u>(133,954)</u>	<u>\$ 7,974</u>	<u>\$ (28,880)</u>	<u>\$ (73,711)</u>	<u>\$ (105,074)</u>
Nonoperating revenues (expenses):						
Ad valorem taxes	32,816	34,500				
Grant income	21,192	11,000				
Retirement reimbursement	-	40,481				
Interest income	708	174				
Interest expense	<u>(17,800)</u>	<u>(19,978)</u>				
Total nonoperating revenues (expenses)	<u>36,916</u>	<u>66,177</u>				
Loss before transfers	(28,821)	(67,777)				
Transfers in	<u>21,548</u>	<u>13,888</u>				
Change in net position	(7,273)	(53,889)				
Net position, beginning	<u>1,779,302</u>	<u>1,833,191</u>				
Net position, ending	<u>\$1,772,029</u>	<u>\$1,779,302</u>				

VILLAGE OF MERMENAU, LOUISIANA

Summary Schedule of Current and Prior Year Findings
And Management's Corrective Action Plan

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

A. Internal Control Findings –

2020-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

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

CRITERIA: The Village should have a control policy according to which no person should be given responsibility for more than one related function.

CAUSE: Due to the size of the Village, there are a small number of available employees.

EFFECT: The Village has employees that are performing more than one related function.

RECOMMENDATION: The Village should establish and monitor mitigating controls over functions that are not completely segregated.

MANAGEMENT'S CORRECTION ACTION PLAN: Due to the size of the operations and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

Part II. Prior Year Findings

A. Internal Control Findings -

2019-001 Inadequate Segregation of Accounting Functions

Fiscal year finding initially occurred: Unknown

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

RECOMMENDATION: The Village should establish and monitor mitigating controls over functions that are not completely segregated.

CURRENT STATUS: Unresolved. See finding 2020-001.

2019-002 Accounts Receivable Reconciliation

Fiscal year finding initially occurred: 2015

CONDITION: The Village is not reconciling the utility billings accounts receivable from the subsidiary ledger to the general ledger.

RECOMMENDATION: The Village should reconcile on at least a monthly basis. Adjustments to customer's bills should be approved by the appropriate authority and adjustments should be recorded to the receivable and revenue in the Village's general ledger.

CURRENT STATUS: Resolved.

VILLAGE OF MERMENTAU, LOUISIANA

Summary Schedule of Current and Prior Year Findings
And Management's Corrective Action Plan (Continued)

B. Compliance Findings -

2019-003 Budget Violation

Fiscal year finding initially occurred: 2013

CONDITION: The Village is not amending their budget when total actual revenues fail to meet budgeted revenues or actual expenditures exceed total budgeted expenditures by 5% or more.

RECOMMENDATION: The budget should be reviewed periodically during the year, and amended as necessary, to ensure compliance.

CURRENT STATUS: Resolved.

2019-004 Payroll Taxes and Retirement Contributions

Fiscal year finding initially occurred: 2018

CONDITION: The Village is required to determine which employees are eligible for the Municipal Employees' Retirement System of Louisiana. The Village is required to withhold and pay social security on all employees not covered by a state retirement system and employees who are ineligible for state retirement system. In addition, the Village should be withholding and paying medicare taxes for all employees.

RECOMMENDATION: The Village should determine which employees are eligible for participation in the Municipal Employees' Retirement System of Louisiana. The Village should also withhold and remit social security and medicare taxes as required by law.

CURRENT STATUS: Resolved.

KOLDER, SLAVEN & COMPANY, LLC

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Victor R. Slaven, CPA* - retired 2020

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

WWW.KCSRCPAS.COM

* A Professional Accounting Corporation

The Honorable Darla Istre, Mayor
and Members of the Board of Aldermen
Village of Mermentau, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Village of Mermentau (Village), and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village's compliance with certain laws and regulations during the year ended June 30, 2020 included in the accompanying *Louisiana Attestation Questionnaire*. Management of the Village is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$30,000, and public works exceeding \$157,700. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1775 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), whichever is applicable; and report whether the expenditures were made in accordance with these laws.

The Village had no purchases for materials and supplies that exceeded \$30,000 or public works exceeding \$157,700.

Code of Ethics for Public Officials and Public Employees

2. Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the ethics law).

Management provided us with the required list including the noted information.

3. Obtain a list of all employees paid during the fiscal year.

Management provided us with the required list including the noted information.

4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

None of the employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2).

5. Obtain a list of all disbursements made during the year; and a list of outside business interests of all board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.

This Village's board members, employees, and board members' and employees' immediate families had no outside business interests or received payments from the Village.

Budgeting

6. Obtain a copy of the legally adopted budget and all amendments.

We obtained a copy of the original budget. There were no budget amendments.

7. Trace documentation for adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

The budget adoption was noted in the minute book.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceed budgeted amounts by 5% or more.

We compared the budgeted revenues and expenditures to actual revenues and expenditures. Actual revenues were within the 5% variance allowed by law. Actual expenditures were within the 5% variance allowed by law.

Accounting and Reporting

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and: (a) report whether the six disbursements agree to the amount and payee in the supporting documentation, (b) report whether the six disbursements are coded to the correct fund and general ledger account, and (c) report whether the six disbursements were approved in accordance with management's policies and procedures.

We examined supporting documentation for each of the six selected disbursements and found payment was for the proper amount and made to the correct payee. Each of the six payments were coded to the correct fund and general ledger account. Inspection of the documentation supporting each of the six selected disbursements indicated proper approval in accordance with management's policies and procedures.

Meetings

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 (the open meetings law); and report whether there are any exceptions.

Management provided us with evidence to support that agendas for meetings recorded in the minute book were posted in accordance with revised statutes.

Debt

11. Obtain bank deposits for the fiscal year and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

12. Obtain the list of payroll disbursements and minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advance, or gifts.

We inspected payroll records and minutes for the year and did not note any instances of payments to employees, which would constitute bonuses, advances or gifts.

State Audit Law

13. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

The Village provided for a timely report in accordance with R.S. 24:513.

14. Inquire of management and report whether the Village entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S.38:211, et seq.), while the Village was not in compliance with R.S. 24:513 (the audit law).

We inquired of management and it was determined that the Village did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A(2); and that were subject to the public bid law.

Prior Year Comments

15. Obtain and report management's representation as to whether any prior-year suggestions, recommendations, and/or comments have been resolved.

We have one repeat finding from our review report dated January 12, 2021 related to segregation of duties. Three of the four findings from the prior year report have been resolved by the Village.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures; other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Village of Mermentau and the Legislative Auditor (State of Louisiana) and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
February 12, 2021

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

June 30, 2020

Kolder, Slaven and Company, LLC
183 S. Beadle Rd
Lafayette, LA 70508

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of **June 30, 2020** and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes No []

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes No []

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes No []

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes No []

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes No []

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes No []

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes No []

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes No []

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes No []

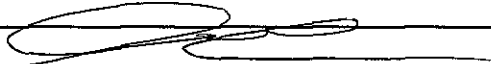
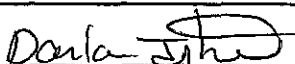
We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes No []

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes No []

The previous responses have been made to the best of our belief and knowledge.

	Secretary	_____	Date
	Treasurer	12-23-20	Date
	President	12-23-20	Date