

**VILLAGE OF CANKTON, LOUISIANA**

**Financial Report**  
**Year Ended June 30, 2022**

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### INDEPENDENT AUDITORS' REPORT

The Honorable Kevin Colligan, Mayor  
and Members of the Board of Aldermen  
Village of Cankton, Louisiana

#### Report on the Audit of the Financial Statements

##### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Cankton, Louisiana, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Village of Cankton, 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 Cankton, Louisiana, as of June 30, 2022, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village of Cankton, 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.

##### *Change in Accounting Principle*

As described in Note 16 to the financial statements, in 2022, the Village of Cankton, Louisiana adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village of Cankton, 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.

### ***Auditors' 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 auditors' 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 Cankton, 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 Cankton, 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 the budgetary comparison schedules and notes to the required supplementary information on pages 35 through 37 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 of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America requires 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 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 Cankton, Louisiana's basic financial statements. The Justice System Funding Reporting Schedule (reporting schedule) was created by Act 87 of the Louisiana 2020 Regular Legislative Session. This reporting schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the reporting 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 information for the General Fund revenues and expenditures and the schedule of insurance in force but does not include the basic financial statements and our auditors' 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 December 27, 2022, on our consideration of the Village of Cankton, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the

effectiveness of the Village of Cankton, 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 Cankton, Louisiana's internal control over financial reporting and compliance.

***Champagne & Company, LLC***  
Certified Public Accountants

Breaux Bridge, Louisiana  
December 27, 2022

## **BASIC FINANCIAL STATEMENTS**



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

VILLAGE OF CANKTON, LOUISIANA

Statement of Net Position  
June 30, 2022

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and interest bearing deposits	\$ 255,176	\$ 507,165	\$ 762,341
Due from other governments	11,725	390,001	401,726
Receivables, net	10,962	39,983	50,945
Internal balances	98,388	(98,388)	-
Prepaid items	15,149	12,792	27,941
Total current assets	<u>391,400</u>	<u>851,553</u>	<u>1,242,953</u>
Noncurrent assets:			
Restricted cash	-	85,080	85,080
Capital assets:			
Non-depreciable	7,500	652,564	660,064
Depreciable, net	251,124	1,755,451	2,006,575
Total noncurrent assets	<u>258,624</u>	<u>2,493,095</u>	<u>2,751,719</u>
Total assets	<u>650,024</u>	<u>3,344,648</u>	<u>3,994,672</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts, salaries and other payables	12,653	18,156	30,809
Financed purchase liability	5,477	-	5,477
Contract and retainage payable	-	412,062	412,062
Customer deposits	-	85,080	85,080
Unearned revenue	93,388	-	93,388
Total current liabilities	<u>111,518</u>	<u>515,298</u>	<u>626,816</u>
Noncurrent liabilities:			
Financed purchased liability	933	-	933
Total noncurrent liabilities	<u>933</u>	<u>-</u>	<u>933</u>
Total liabilities	<u>112,451</u>	<u>515,298</u>	<u>627,749</u>
<b>NET POSITION</b>			
Net investment in capital assets	252,214	2,408,015	2,660,229
Restricted for tax dedications	261,312	-	261,312
Unrestricted	24,047	421,335	445,382
Total net position	<u>\$ 537,573</u>	<u>\$ 2,829,350</u>	<u>\$ 3,366,923</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF CANKTON, LOUISIANA

Statement of Activities  
For the Year Ended June 30, 2022

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	\$ 167,665	\$ 4,300	\$ -	\$ 557	\$ (162,808)	\$ -	\$ (162,808)
Public safety	78,787	30,265	-	-	(48,522)	-	(48,522)
Total governmental activities	<u>246,452</u>	<u>34,565</u>	<u>-</u>	<u>557</u>	<u>(211,330)</u>	<u>-</u>	<u>(211,330)</u>
Business-type activities:							
Water	312,592	325,634	-	451,048	-	464,090	464,090
Total business-type activities	<u>312,592</u>	<u>325,634</u>	<u>-</u>	<u>451,048</u>	<u>-</u>	<u>464,090</u>	<u>464,090</u>
Total	<u>\$ 559,044</u>	<u>\$ 360,199</u>	<u>\$ -</u>	<u>451,605</u>	<u>(211,330)</u>	<u>464,090</u>	<u>252,760</u>
General revenues:							
Taxes -							
Sales and use taxes, levied for general purposes					71,593	-	71,593
Franchise taxes					37,293	-	37,293
Interest income					414	133	547
Intergovernmental revenue					31,615	-	31,615
Occupational licenses and other permits					29,356	-	29,356
Miscellaneous income					3,657	-	3,657
Loss on disposal of assets					-	(15,483)	(15,483)
Transfers					50,000	(50,000)	-
Total general revenues and transfers					<u>223,928</u>	<u>(65,350)</u>	<u>158,578</u>
Change in net position					12,598	398,740	411,338
Net Position - June 30, 2021					<u>524,975</u>	<u>2,430,610</u>	<u>2,955,585</u>
Net Position - June 30, 2022					<u>\$ 537,573</u>	<u>\$ 2,829,350</u>	<u>\$ 3,366,923</u>

The accompanying notes are an integral part of this statement.

**FUND FINANCIAL STATEMENTS (FFS)**

## **FUND DESCRIPTIONS**

### **MAJOR FUNDS**

#### **General Fund**

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund. The General Fund has a greater number and variety of revenue sources than any other fund, and its resources normally finance a wider range of activities. The resources of the General Fund are ordinarily largely expended and replenished on an annual basis.

#### **Special Revenue Funds**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

##### **Sales Tax Fund -**

The Sales Tax Fund is used to account for the collection of a 1% sales and use tax and its subsequent disbursement in accordance with the sales tax dedication. The proceeds of the 1% sales tax are dedicated to current operating purposes or the acquisition of furniture, fixtures, machinery, equipment, and immovable property.

#### **Enterprise Fund**

##### **Water Fund -**

The Water Fund is used to account for the provision of water services to residents of the Village. The Water Fund is used to account for operations that are financed and operated in a manner 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.

VILLAGE OF CANKTON, LOUISIANA

Balance Sheet  
Governmental Funds  
June 30, 2022

	General	Sales Tax Special Revenue	Total
	<u>General</u>	<u>Revenue</u>	<u>Total</u>
ASSETS			
Cash and interest bearing deposits	\$ 3,701	\$ 251,475	\$ 255,176
Receivables:			
Due from other governmental units	5,931	5,794	11,725
Due from others	10,962	-	10,962
Due from other funds	93,388	5,000	98,388
Prepaid items	15,149	-	15,149
Total assets	<u>\$ 129,131</u>	<u>\$ 262,269</u>	<u>\$ 391,400</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 3,273	\$ 957	\$ 4,230
Payroll liabilities	8,423	-	8,423
Unearned revenue	93,388	-	93,388
Total liabilities	<u>105,084</u>	<u>957</u>	<u>106,041</u>
Fund balances:			
Nonspendable	15,149	-	15,149
Restricted	-	261,312	261,312
Unassigned	8,898	-	8,898
Total fund balances	<u>24,047</u>	<u>261,312</u>	<u>285,359</u>
Total liabilities and fund balances	<u>\$ 129,131</u>	<u>\$ 262,269</u>	<u>\$ 391,400</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF CANKTON, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
June 30, 2022

Total fund balances for governmental funds at June 30, 2022	\$ 285,359
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:	
Capital assets, net of \$491,251 accumulated depreciation	258,624
General long-term debt of governmental activities is not payable from current resources and, therefore, not reported in the funds. The debt is:	
Financed purchase liability	<u>(6,410)</u>
Total net position of governmental activities at June 30, 2022	<u>\$ 537,573</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF CANKTON, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances-  
Governmental Funds  
For the Year Ended June 30, 2022

	General	Sales Tax Special Revenue	Total
	<u>General</u>	<u>Revenue</u>	<u>Total</u>
Revenues:			
Taxes	\$ 37,293	\$ 71,593	\$ 108,886
Licenses and permits	29,356	-	29,356
Charges for services	4,300	-	4,300
Intergovernmental	32,172	-	32,172
Fines and forfeitures	30,265	-	30,265
Miscellaneous	3,657	-	3,657
Interest Income	-	414	414
Total revenues	<u>137,043</u>	<u>72,007</u>	<u>209,050</u>
Expenditures:			
Current -			
Executive and administration	142,032	16,737	158,769
Public safety-Police department	60,694	-	60,694
Public safety-Fire department	3,255	-	3,255
Debt service	6,282	-	6,282
Capital outlay	-	-	-
Total expenditures	<u>212,263</u>	<u>16,737</u>	<u>229,000</u>
Excess (deficiency) of revenues over expenditures	<u>(75,220)</u>	<u>55,270</u>	<u>(19,950)</u>
Other financing sources (uses):			
Transfers in	75,000	-	75,000
Transfers out	-	(25,000)	(25,000)
Total other financing sources (uses)	<u>75,000</u>	<u>(25,000)</u>	<u>50,000</u>
Net changes in fund balances	(220)	30,270	30,050
Fund balances, beginning	<u>24,267</u>	<u>231,042</u>	<u>255,309</u>
Fund balances, ending	<u>\$ 24,047</u>	<u>\$ 261,312</u>	<u>\$ 285,359</u>

The accompanying notes are an integral part of this statement.



VILLAGE OF CANKTON, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds  
to the Statements of Activities  
For the Year Ended June 30, 2022

Total net changes in fund balances per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 30,050
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	(23,152)
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.	
Principal payments on financed purchase liability	<u>5,700</u>
Total change in net position for the year ended June 30, 2022 per Statement of Activities	<u>\$ 12,598</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF CANKTON, LOUISIANA

Statement of Net Position  
 Proprietary Fund  
 June 30, 2022

ASSETS

Current assets:

Cash and interest bearing deposits	\$ 507,165
Receivables:	
Accounts receivable (net)	39,983
Accrued interest receivable	49
Due from other governmental units	389,952
Prepaid insurance	<u>12,792</u>
Total current assets	<u>949,941</u>

Noncurrent assets:

Restricted cash	85,080
Capital assets:	
Non-depreciable	652,564
Depreciable, net	<u>1,755,451</u>
Total noncurrent assets	<u>2,493,095</u>
Total assets	<u>3,443,036</u>

LIABILITIES

Current liabilities (from current assets):

Accounts payable	12,139
Accrued payroll and payroll taxes	6,017
Contract and retainage payable	412,062
Due to other funds	<u>98,388</u>
Total current liabilities	<u>528,606</u>

Current liabilities (from restricted assets):

Customers' deposits	<u>85,080</u>
Total liabilities	<u>613,686</u>

NET POSITION

Net investment in capital assets	2,408,015
Unrestricted	<u>421,335</u>
Total net position	<u>\$ 2,829,350</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF CANKTON, LOUISIANA

Statement of Revenues, Expenses, and Changes in Fund Net Position -  
 Proprietary Fund  
 For the Year Ended June 30, 2022

Operating revenues:	
Charges for services	\$ 325,634
Total operating revenues	<u>325,634</u>
Operating expenses:	
Personal services	82,052
Executive and administrative	22,036
Legal and professional	35,081
Insurance	17,928
Supplies	49,303
Repairs and maintenance	18,487
Miscellaneous	11,950
Depreciation	<u>75,755</u>
Total operating expenses	<u>312,592</u>
Operating income	<u>13,042</u>
Non-operating revenue and expenses:	
Grant income	451,048
Interest income	133
Loss on disposal of assets	<u>(15,483)</u>
Total non-operating revenue and expenses	<u>435,698</u>
Income before transfers	<u>448,740</u>
Transfers:	
Transfers out	<u>(50,000)</u>
Change in net position	398,740
Net position, beginning	<u>2,430,610</u>
Net position, ending	<u>\$ 2,829,350</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF CANKTON, LOUISIANA

Statement of Cash Flows  
Proprietary Fund  
For the Year Ended June 30, 2022

Cash flows from operating activities:	
Receipts from customers	\$ 318,190
Payments to suppliers	(128,165)
Payments to employees	<u>(79,848)</u>
Net cash provided by operating activities	<u>110,177</u>
Cash flows from noncapital financing activities:	
Operating transfers out	(50,000)
Net increase in customers' deposits	<u>6,623</u>
Net cash used by noncapital financing activities	<u>(43,377)</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(83,969)
Grant income	<u>82,075</u>
Net cash used by capital and related financing activities	<u>(1,894)</u>
Cash flows from investing activities	
Interest earned	<u>133</u>
Net cash provided by investing activities	<u>133</u>
Net increase in cash and cash equivalents	65,039
Cash and cash equivalents, beginning of period	<u>281,038</u>
Cash and cash equivalents, end of period	<u>\$ 346,077</u>

(continued)

VILLAGE OF CANKTON, LOUISIANA

Statement of Cash Flows  
 Proprietary Fund (continued)  
 For the Year Ended June 30, 2022

Cash flows from operating activities	
Operating income	\$ <u>13,042</u>
Adjustments to reconcile operating income to net cash provided by operating activities-	
Depreciation	75,755
Changes in current assets & liabilities:	
Increase in accounts receivable	(7,444)
Increase in prepaid insurance	(7,811)
Decrease in accounts payable and other accrued liabilities	(56,753)
Increase in interfund balance	<u>93,388</u>
Total adjustments	<u>97,135</u>
Net cash provided by operating activities	<u>\$ 110,177</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the statement of net position:	
Cash and cash equivalents, beginning of period:	
Cash and interest-bearing deposits - unrestricted	\$ 447,800
Cash - restricted	79,406
Less: Interest-bearing deposits with a maturity in excess of 90 days	<u>(246,168)</u>
Total cash and cash equivalents	<u>281,038</u>
Cash and cash equivalents, end of period:	
Cash and interest-bearing deposits - unrestricted	507,165
Cash - restricted	85,080
Less: Interest-bearing deposits with a maturity in excess of 90 days	<u>(246,168)</u>
Total cash and cash equivalents	<u>346,077</u>
Net increase in cash and cash equivalents	<u>\$ 65,039</u>

The accompanying notes are an integral part of this statement.

## VILLAGE OF CANKTON, LOUISIANA

### Notes to Basic Financial Statements

#### (1) Summary of Significant Accounting Policies

The Village of Cankton, Louisiana (the "Village") was incorporated in October 1960, under the provisions of the Lawrason Act, State of Louisiana. The act provides for the Mayor-Board of Trustees form of government. The Village's operations include police protection, streets and drainage, and general administration services. The Village owns and operates one enterprise activity, a water fund, which provides water services.

The accompanying financial statements of 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 the more significant accounting policies are discussed in subsequent subsections of this note.

##### A. Financial Reporting Entity

In evaluating how to define the Village for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board (GASB) Statement No. 61. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Village is able to exercise oversight responsibilities. The Village has no component units.

##### B. Basis of Presentation

###### 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 nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

## VILLAGE OF CANKTON, LOUISIANA

### Notes to 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 (enterprise). 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 and deferred outflows of resources, liabilities and 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 and deferred outflows of resources, liabilities and 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 Fund Types-

##### 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.

VILLAGE OF CANKTON, LOUISIANA

Notes to Basic Financial Statements (Continued)

Special Revenue Fund –

Sales Tax Fund

The Sales Tax Fund is used to account for the proceeds of a one percent (1%) sales and use tax that is legally restricted to expenditures for specified purposes.

Proprietary Fund Type –

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 the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are derived from charges for services. All other revenues are reported as nonoperating. The Village applies all applicable principles under the Governmental Accounting Standards Board (GASB) in accounting and reporting for its enterprise fund. The Village's enterprise fund is the Water Fund.

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. below.

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.



VILLAGE OF CANKTON, LOUISIANA

Notes to Basic Financial Statements (Continued)

- 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, governmental and business-type activities are presented using the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 “Accounting and Financial Reporting for Nonexchange Transactions.”

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within 60 days of the end of the fiscal year. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Other major revenues considered susceptible to accrual are earned grant revenues.

Proprietary fund-type operating statements present increases (e.g. revenues) and decreases (e.g. expenses) in net total position. 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.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows 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. See Note (2) for additional disclosures.

## VILLAGE OF CANKTON, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### 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 and franchise taxes. Business-type activities report customer’s utility service receivables, net of an allowance for doubtful accounts, as their major receivables.

#### Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2022 recorded as prepaid items. The only prepaid item that existed at June 30, 2022 was prepaid insurance.

#### 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 utility meter deposits.

#### Capital Assets

The accounting treatment for buildings, improvements, and equipment (capital assets) depends on whether they are reported in the government-wide or fund financial statements.

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation. Interest costs are capitalized as they relate to fixed assets. The Village maintains a threshold level of \$500 or more for capitalizing capital assets.

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. Land and construction in progress are not depreciated. The range of estimated useful lives by type of asset is as follows:

VILLAGE OF CANKTON, LOUISIANA

Notes to Basic Financial Statements (Continued)

Buildings and improvements	10-40 years
Furniture and equipment	5-40 years
Vehicles	9-20 years
Water System	10-40 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.

Prior to the adoption of GASB 34, it was the Village's policy not to record infrastructure; therefore, the Village did not have a complete listing of infrastructure. However, through the years, a partial list of infrastructure was maintained. The Village has opted not to do a detailed analysis of existing infrastructure. Rather, the Village will include the infrastructure for which cost information is available and begin accumulating infrastructure information prospectively.

Compensated Absences

An employee must be employed by the Village of Cankton for at least one year before they will be entitled to one week paid vacation. After five years employment with the Village the employee will be entitled to two weeks paid vacation per year. Unused vacation may not be accumulated or carried over from one anniversary date of employment to another. An employee may get paid for any unused vacation during that same calendar year. All employees shall earn sick leave at a rate of one day for each month worked. Employees may not accumulate more than ten days sick leave per year and no more than thirty days of sick leave overall. Employees do not get paid for unused sick leave. Any liability for accumulated leave is determined immaterial to the financial statements at June 30, 2022 and, therefore, not recorded in the financial statements.

Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a future period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purpose of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

## VILLAGE OF CANKTON, LOUISIANA

### Notes to 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 capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
- b. **Restricted net position** – Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be 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.
- c. **Unrestricted net position** – Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

In the fund financial statements, governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

Fund balances of the governmental funds are classified as follows:

*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.

*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.

*Committed* – amounts that can be used only for specific purposes determined by a formal action of the Board of Aldermen. The Board 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.

VILLAGE OF CANKTON, LOUISIANA

Notes to Basic Financial Statements (Continued)

*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. Under the Village’s adopted policy, only Board members or the Mayor may assign amounts for specific purposes.

*Unassigned* – all other spendable amounts.

As of June 30, 2022, fund balances are composed of the following:

	General Fund	Sales Tax Fund	Total Governmental Funds
Nonspendable:			
Prepaid items	\$ 15,149	\$ -	\$ 15,149
Restricted:			
Sales tax	-	261,312	261,312
Unassigned	<u>8,898</u>	<u>-</u>	<u>8,898</u>
	<u>\$ 24,047</u>	<u>\$ 261,312</u>	<u>\$ 285,359</u>

When an expenditure is incurred for 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 Board members have provided otherwise in its commitment or assignment actions.

E. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America required management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

(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 state banks organized under Louisiana law

VILLAGE OF CANKTON, LOUISIANA

Notes to Basic Financial Statements (Continued)

and national banks having principal offices in Louisiana. At June 30, 2022, the Village has cash and interest-bearing deposits (book balances) totaling \$847,421.

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 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. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the pledging financial institution. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit within the financial institution. These securities are held in the name of the pledging financial institution in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2022 are secured as follows:

Bank balances	<u>\$ 857,703</u>
At June 30, 2022 the deposits are secured as follows:	
Federal deposit insurance	\$ 737,099
Pledged securities	<u>120,604</u>
Total	<u>\$ 857,703</u>

Deposits in the amount \$120,604 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) Restricted Cash

Restricted cash at June 30, 2022 is comprised of the following:

	<u>Business-Type Activities</u>
Customers' deposits	<u>\$ 85,080</u>

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

(4) Receivables

The following is a summary of receivables at June 30, 2022:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Accounts	\$ -	\$ 58,449	\$ 58,449
Allowance	-	(18,466)	(18,466)
Franchise taxes	6,675	-	6,675
Licenses	<u>4,287</u>	<u>-</u>	<u>4,287</u>
 Total	 <u>\$ 10,962</u>	 <u>\$ 39,983</u>	 <u>\$ 50,945</u>

(5) Capital Assets

Capital asset activity for the year ended June 30, 2022 is as follows:

	<u>Balance 06/30/21</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/22</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 7,500	\$ -	\$ -	\$ 7,500
Other capital assets:				
Buildings and improvements	423,925	-	-	423,925
Equipment	119,414	-	-	119,414
Furniture and Fixtures	7,151	-	-	7,151
Vehicles	14,165	-	-	14,165
Vehicles - financed purchase liability	68,320	-	-	68,320
Other structures and improvements	<u>109,400</u>	<u>-</u>	<u>-</u>	<u>109,400</u>
Total capital assets	<u>749,875</u>	<u>-</u>	<u>-</u>	<u>749,875</u>

VILLAGE OF CANKTON, LOUISIANA

Notes to Basic Financial Statements (Continued)

	Balance 06/30/21	Additions	Deletions	Balance 06/30/22
Less accumulated depreciation:				
Buildings and improvements	245,596	9,454	-	255,050
Equipment	85,270	6,879	-	92,149
Furniture and Fixtures	5,372	153		5,525
Vehicles	13,826	335	-	14,161
Vehicles - financed purchase liability	53,548	6,331	-	59,879
Other structures and improvements	<u>64,487</u>	<u>-</u>	<u>-</u>	<u>64,487</u>
Total accumulated depreciation	<u>468,099</u>	<u>23,152</u>	<u>-</u>	<u>491,251</u>
Governmental activities, capital assets, net	<u>\$ 281,776</u>	<u>\$ (23,152)</u>	<u>\$ -</u>	<u>\$ 258,624</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 95,619	\$ -	\$ -	\$ 95,619
Construction in progress	83,939	473,006	-	556,945
Other capital assets:				
Waterworks plant and equipment	<u>3,003,448</u>	<u>-</u>	<u>(22,251)</u>	<u>2,981,197</u>
Total capital assets	<u>3,183,006</u>	<u>473,006</u>	<u>(22,251)</u>	<u>3,633,761</u>
Less accumulated depreciation:				
Waterworks plant and equipment	<u>1,156,759</u>	<u>75,755</u>	<u>(6,768)</u>	<u>1,225,746</u>
Total accumulated depreciation	<u>1,156,759</u>	<u>75,755</u>	<u>(6,768)</u>	<u>1,225,746</u>
Business-type activities, capital assets, net	<u>\$ 2,026,247</u>	<u>\$ 397,251</u>	<u>\$ (15,483)</u>	<u>\$ 2,408,015</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 8,896
Public safety - police	11,776
Public safety - fire	<u>2,480</u>
 Total depreciation expense	 <u>\$ 23,152</u>



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

(6) Accounts, Salaries, and Other Payables

The accounts, salaries, and other payables consisted of the following at June 30, 2022:

	Governmental Activities	Business-Type Activities	Total
Accounts	\$ 4,230	\$ 12,139	\$ 16,369
Payroll liabilities	8,423	6,017	14,440
 Total	 \$ 12,653	 \$ 18,156	 \$ 30,809

(7) Changes in Long-Term Debt

The following is a summary of long-term debt transactions of the Village for the year ended June 30, 2022. The financed purchase liability relates to governmental activities, and the payments are made from the general fund.

	Vehicle Financed Purchase
Long-term debt at June 30, 2021	\$ 12,110
Debt assumed	-
Debt retired	(5,700)
 Long-term debt at June 30, 2022	 \$ 6,410

Long-term debt at June 30, 2022 is comprised of the following:

Vehicle financed purchased liability:

\$24,495 financed purchase liability on (1) 2015 Chevy Tahoe, due in monthly installments of \$469; due from September 30, 2018 to August 31, 2023; interest rate of 5.580 percent.	\$ 6,410
 Long-term debt	 \$ 6,410

VILLAGE OF CANKTON, LOUISIANA

Notes to Basic Financial Statements (Continued)

The future minimum debt payments for financed purchase liability at June 30, 2022 are as follows:

Year Ending June 30	Principal	Interest	Total
2023	\$ 5,477	\$ 148	\$ 5,625
2024	933	7	940
Totals	<u>\$ 6,410</u>	<u>\$ 155</u>	<u>\$ 6,565</u>

Interest expense of \$582 was included in the Public Safety activity in the Statement of Activities.

(8) Dedication of Sales Tax Proceeds

Proceeds of the one percent sales and use tax being levied by the Village, after payment of all necessary expenses of collection and administration, have been dedicated to constructing, acquiring, extending, improving and/or maintaining drainage facilities, streets, sidewalks, sewers and sewerage disposal works, public buildings, police department and equipment, public parks, recreational facilities, waterworks, disposal of garbage, street lighting, purchasing of immovable property and purchasing and acquiring equipment and furnishings for the aforesaid public works, buildings, improvements, and facilities.

(9) Interfund Transactions

A. Interfund Balances

Interfund balances consisted of the following for the year ended June 30, 2022:

	<u>Receivables</u>	<u>Payables</u>
Major Funds:		
Governmental Funds:		
General Fund	\$ 93,388	\$ -
Sales Tax Fund	5,000	-
Enterprise Fund:		
Water Fund	-	98,388
Total	<u>\$ 98,388</u>	<u>\$ 98,388</u>

Operating expenses had not yet been reimbursed at year-end, causing the balances noted above. These reimbursements are expected to be made within the next fiscal year.

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

B. Interfund Transfers

Interfund transfers consisted of the following for the year ended June 30, 2022:

	Interfund Transfers In	Interfund Transfers Out
Major Funds:		
Governmental Funds:		
General Fund	\$ 75,000	\$ -
Sales Tax Fund	-	25,000
Enterprise Fund:		
Water Fund	-	50,000
Total	\$ 75,000	\$ 75,000

Transfers are used to (1) 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 (2) use unrestricted revenues collected in one fund to finance programs accounting for in other funds in accordance with budgetary authorization.

(10) Litigation

There is no litigation pending against the Village at June 30, 2022.

(11) Risk Management

The Village is exposed to risks of loss in the areas of general and auto liability, property hazards, and worker's compensation. Those risks are handled by purchasing commercial insurance. There have been no significant reductions in insurance coverage during the current fiscal year nor have settlements exceeded coverage during the current year or preceding two years.

(12) Act 706-Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Entity

Under Act 706, the Village is required to disclose the compensation, reimbursements, benefits, and other payments made to the Mayor, in which the payments are related to the position. The following is a schedule of payments made to the Mayor for the year ended June 30, 2022.

Entity head: Kevin Colligan, Mayor

Salary and allowance	\$ 9,600
Total	\$ 9,600

VILLAGE OF CANKTON, LOUISIANA

Notes to Basic Financial Statements (Continued)

(13) Compensation to Board Members

The following is a schedule of payments made to the Village board members for the year ended June 30, 2022:

Danny Uriegas	\$ 2,400
Malcolm Bussey	2,400
Matthew Smith	<u>2,400</u>
Total	<u>\$ 7,200</u>

(14) Risks and Uncertainties

The COVID-19 outbreak in the United States has caused business disruption through mandated closings, reduction of operating hours, or operational restrictions for nonessential businesses, including retail stores, restaurants, personal service businesses and all entertainment venues. While the disruption is expected to be temporary, there is still uncertainty around the duration of and the implications of the closings. The Village of Cankton expects this matter to negatively impact availability of resources and operating results. The financial impact cannot be reasonably estimated at this time.

(15) Subsequent Events

The Village received the second funding of American Rescue Plan funds of \$93,388 from the State of Louisiana in October 2022. This funding was provided by the American Rescue Plan Act established by the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Fund, in an effort to assist governments.

(16) New Accounting Pronouncement

In June of 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Village of Cankton adopted this standard in the year ended June 30, 2022. The implementation of this standard had no material effect on the Village of Cankton's financial statements for the year ended June 30, 2022.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

VILLAGE OF CANKTON, LOUISIANA  
General Fund

Budgetary Comparison Schedule  
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Taxes	\$ 34,800	\$ 34,800	\$ 37,293	\$ 2,493
Licenses and permits	20,000	20,000	29,356	9,356
Charges for services	4,500	4,500	4,300	(200)
Intergovernmental	30,000	30,000	32,172	2,172
Fines and forfeitures	30,000	30,000	30,265	265
Miscellaneous	<u>1,200</u>	<u>1,200</u>	<u>3,657</u>	<u>2,457</u>
Total revenues	<u>120,500</u>	<u>120,500</u>	<u>137,043</u>	<u>16,543</u>
<b>Expenditures:</b>				
Current -				
Executive and administration	139,249	139,249	142,032	(2,783)
Public safety-Police department	68,900	73,900	60,694	13,206
Public Safety- Fire department	-	-	3,255	(3,255)
Debt service	13,500	6,500	6,282	218
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>221,649</u>	<u>219,649</u>	<u>212,263</u>	<u>7,386</u>
Deficiency of revenues over expenditures	<u>(101,149)</u>	<u>(99,149)</u>	<u>(75,220)</u>	<u>23,929</u>
<b>Other financing sources:</b>				
Transfers in	<u>94,000</u>	<u>79,000</u>	<u>75,000</u>	<u>(4,000)</u>
Net change in fund balance	(7,149)	(20,149)	(220)	19,929
Fund balance, beginning	<u>19,393</u>	<u>24,267</u>	<u>24,267</u>	<u>-</u>
Fund balance, ending	<u>\$ 12,244</u>	<u>\$ 4,118</u>	<u>\$ 24,047</u>	<u>\$ 19,929</u>

VILLAGE OF CANKTON, LOUISIANA  
Sales Tax Special Revenue Fund

Budgetary Comparison Schedule  
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Sales tax collections	\$ 55,000	\$ 55,000	\$ 71,593	\$ 16,593
Interest income	400	400	414	14
Total revenues	<u>55,400</u>	<u>55,400</u>	<u>72,007</u>	<u>16,607</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government -				
Collection fee	400	400	599	(199)
Security lighting	12,000	12,000	13,357	(1,357)
Miscellaneous	-	-	2,781	(2,781)
Total general government	<u>12,400</u>	<u>12,400</u>	<u>16,737</u>	<u>(4,337)</u>
Capital outlay	-	-	-	-
Total expenditures	<u>12,400</u>	<u>12,400</u>	<u>16,737</u>	<u>(4,337)</u>
Excess of revenues over expenditures	43,000	43,000	55,270	12,270
<b>Other financing uses:</b>				
Transfers out	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Net change in fund balance	18,000	18,000	30,270	12,270
Fund balance, beginning	<u>247,616</u>	<u>231,042</u>	<u>231,042</u>	<u>-</u>
Fund balance, ending	<u>\$ 265,616</u>	<u>\$ 249,042</u>	<u>\$ 261,312</u>	<u>\$ 12,270</u>

VILLAGE OF CANKTON, LOUISIANA

Notes to the Required Supplementary Information  
For the Year Ended June 30, 2022

(1) Budgets and Budgetary Accounting

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

- A. A public meeting is scheduled by the Mayor and Board of Aldermen after allowing for at least 10 days' notice to the public at the time the budget is initially submitted to the Board.
- B. The budget must be finally adopted by the Board prior to the last day of the preceding fiscal year.
- C. The Mayor and Board of Aldermen may authorize transfers of budgetary amounts within departments and revisions requiring alteration of levels of expenditures or transfers between departments.
- D. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Fund. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

(2) Excess of Expenditures Over Appropriations

For the year ended June 30, 2022, the following fund had actual expenditures over appropriations:

<u>Fund</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Excess</u>
Sales Tax Fund	\$ 12,400	\$ 16,737	\$ (4,337)



**OTHER SUPPLEMENTARY INFORMATION**

VILLAGE OF CANKTON, LOUISIANA

Justice System Funding Reporting Schedule - Collecting/Disbursing Entity  
 As Required by Act 87 of the 2020 Regular Legislative Session  
 Cash Basis Presentation  
 June 30, 2022

	First Six Month Period Ended 12/31/21	Second Six Month Period Ended 06/30/22
<b>Beginning Balance of Amounts Collected (i.e. cash on hand)</b>	\$ -	\$ -
<b>Add: Collections</b>		
Civil Fees ( <i>including refundable amounts such as garnishments or advance deposits</i> )	-	-
Bond Fees	-	-
Asset Forfeiture/Sale	-	-
Pre-Trial Diversion Program Fees	-	-
Criminal Court Costs/Fees	2,892	1,999
Criminal Fines - Contempt	-	-
Criminal Fines - Other	15,993	9,381
Restitution	-	-
Probation/Parole/Supervision Fees	-	-
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	521	284
Interest Earnings on Collected Balances	-	-
Other ( <i>do not include collections that fit into more specific categories above</i> )	-	-
<b>Subtotal Collections</b>	<b>\$ 19,406</b>	<b>\$ 11,664</b>
<b>Less: Disbursements To Governments &amp; Nonprofits:</b> ( <i>Must include one agency name and one collection type on each line and may require multiple lines for the same agency if more than one collection type is applicable. Additional rows may be added as necessary.</i> )		
<i>Acadiana Criminalistics Laboratory, Court Costs/Fees</i>	\$ 2,150	\$ 1,300
<i>Department of Health &amp; Hospitals, Traumatic Head &amp; Spine Cord Injury Trust Fund, Criminal Court Costs/Fees</i>	395	230
<i>Louisiana Commission on Law Enforcement, Criminal Court Costs/Fees</i>	221	401
<i>Louisiana Supreme Court, Criminal Court Costs/Fees</i>	42	26
<i>State of Louisiana, Trial Court Management Information System, Criminal Court Costs/Fees</i>	84	42
<b>Less: Amounts Retained by Collecting Agency</b>		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	-	-
Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount	-	-
Self-Disbursed to Village of Cankton, Criminal Fines, other	15,993	9,381
<b>Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies</b>		
Civil Fee Refunds	-	-
Bond Fee Refunds	-	-
Restitution Payments to Individuals (additional detail is not required)	-	-
Other Disbursements to Individuals (additional detail is not required)	-	-
Payments to 3rd Party Collection/Processing Agencies	521	284
<b>Subtotal Disbursements/Retainage</b>	<b>\$ 19,406</b>	<b>\$ 11,664</b>
<b>Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Ending Balance of "Partial Payments" Collected but not Disbursed</b> ( <i>only applies if collecting agency does not disburse partial payments until fully collected</i> ) - <i>This balance is included in the Ending Balance of Amounts Collected but not Disbursed/Retained above.</i>	<b>\$ -</b>	<b>\$ -</b>
<b>Other Information:</b>		
Ending Balance of Total Amounts Assessed but not yet Collected ( <i>i.e. receivable balance</i> )	\$ -	\$ -
Total Waivers During the Fiscal Period ( <i>i.e. non-cash reduction of receivable balances, such as time served or community service</i> )	\$ -	\$ -

VILLAGE OF CANKTON, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Revenues  
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Taxes:</b>				
Franchise-telephone	\$ 1,000	\$ 1,000	\$ 392	\$ (608)
Franchise-cable	4,700	4,700	5,645	945
Franchise-gas	1,100	1,100	955	(145)
Franchise-electric	<u>28,000</u>	<u>28,000</u>	<u>30,301</u>	<u>2,301</u>
Total taxes	<u>34,800</u>	<u>34,800</u>	<u>37,293</u>	<u>2,493</u>
<b>Licenses and permits:</b>				
Occupational licenses	12,000	12,000	14,351	2,351
Building permits	7,000	7,000	12,605	5,605
Culvert permits	<u>1,000</u>	<u>1,000</u>	<u>2,400</u>	<u>1,400</u>
Total licenses & permits	<u>20,000</u>	<u>20,000</u>	<u>29,356</u>	<u>9,356</u>
<b>Charges for services:</b>				
Park rental	1,500	1,500	(100)	(1,600)
Rental of hall	<u>3,000</u>	<u>3,000</u>	<u>4,400</u>	<u>1,400</u>
Total charges for services	<u>4,500</u>	<u>4,500</u>	<u>4,300</u>	<u>(200)</u>
<b>Intergovernmental revenues:</b>				
State beer tax	500	500	468	(32)
Racino income	29,500	29,500	31,147	1,647
Grant income	<u>-</u>	<u>-</u>	<u>557</u>	<u>557</u>
Total intergovernmental revenues	<u>30,000</u>	<u>30,000</u>	<u>32,172</u>	<u>2,172</u>
Fines and forfeitures	<u>30,000</u>	<u>30,000</u>	<u>30,265</u>	<u>265</u>
<b>Miscellaneous income:</b>				
Other	<u>1,200</u>	<u>1,200</u>	<u>3,657</u>	<u>2,457</u>
Total miscellaneous	<u>1,200</u>	<u>1,200</u>	<u>3,657</u>	<u>2,457</u>
<b>Total revenues</b>	<u>\$ 120,500</u>	<u>\$ 120,500</u>	<u>\$ 137,043</u>	<u>\$ 16,543</u>

VILLAGE OF CANKTON, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures  
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Executive and Administrative</u>				
Salaries	\$ 64,000	\$ 64,000	\$ 60,319	\$ 3,681
Payroll taxes	12,000	12,000	18,004	(6,004)
Insurance	10,100	10,100	15,795	(5,695)
Dues	1,500	1,500	1,557	(57)
Office supplies	500	500	609	(109)
Hall supplies	2,000	2,000	2,182	(182)
Conventions and travel	2,500	2,500	123	2,377
Repairs and maintenance	12,400	12,400	16,599	(4,199)
Pest control	480	480	480	-
Telephone	3,700	3,700	3,651	49
Utilities	4,879	4,879	2,961	1,918
Park expense	5,000	5,000	5,453	(453)
Uniforms	150	150	-	150
Park equipment	10,000	10,000	557	9,443
Miscellaneous	10,040	10,040	13,742	(3,702)
Total executive and administrative	<u>139,249</u>	<u>139,249</u>	<u>142,032</u>	<u>(2,783)</u>
<u>Police Department</u>				
Salaries	35,000	40,000	33,184	6,816
Insurance	11,000	11,000	5,164	5,836
Uniforms	1,000	1,000	1,045	(45)
Court costs	6,500	6,500	4,890	1,610
Dues and subscriptions	400	400	-	400
Office supplies	500	500	760	(260)
Supplies	2,000	2,000	2,091	(91)
Gas and oil	4,000	4,000	4,508	(508)
Conventions and travel	500	500	732	(232)
Repairs and maintenance	3,500	3,500	4,146	(646)
Telephone	4,500	4,500	4,174	326
Total police department	<u>68,900</u>	<u>73,900</u>	<u>60,694</u>	<u>13,206</u>
<u>Fire Department</u>				
Equipment Insurance	-	-	3,255	(3,255)

(continued)

VILLAGE OF CANKTON, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures (continued)  
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Debt service	13,500	6,500	6,282	218
Capital outlay	-	-	-	-
Total expenditures	\$ 221,649	\$ 219,649	\$ 212,263	\$ 7,386

VILLAGE OF CANKTON, LOUISIANA

Schedule of Insurance in Force  
June 30, 2022

Insurer	Type of Coverage	Limits	Effective Date	
			From	To
Dupre-Carrier-Godcheaux Agency	Law enforcement officer's liability	\$ 500,000 \$ 1,000 deductible	7/1/2021	7/1/2022
Dupre-Carrier-Godcheaux Agency	Fire station, city hall, and waterworks system	\$ 1,788,507 \$ 1,000 deductible	12/15/2021	12/15/2022
Rod Prejean & Associates (Comprehensive and collision)	2014 Ford F150 (2) 2013 Ford Explorers 2015 Chevy Tahoe 2019 Dodge F150	\$ 79,500 \$ 250 deductible	7/1/2021	7/1/2022
Rod Prejean & Associates	Contractors' equipment coverage	\$ 37,410	3/14/2022	3/14/2023
Rod Prejean & Associates	Workmen's compensation	Statutory	1/1/2022	1/1/2023
Louisiana Municipal Risk Management Agency	2014 Ford F150 (2) 2013 Ford Explorers 2015 Chevy Tahoe 2019 Dodge F150	\$ 500,000	7/1/2021	7/1/2022
Louisiana Municipal Risk Management Agency	Commercial general liability	\$ 500,000	7/1/2021	7/1/2022
Louisiana Municipal Risk Management Agency	Errors and Omissions	\$ 500,000	7/1/2021	7/1/2022

**INTERNAL CONTROL  
COMPLIANCE  
AND  
OTHER MATTERS**

# Champagne & Company, LLC

## Certified Public Accountants

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Russell F. Champagne, CPA, CGMA\*  
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### INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Kevin Colligan, Mayor  
and Members of the Board of Aldermen  
Village of Cankton, 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 Cankton, Louisiana, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Village of Cankton, Louisiana's basic financial statements and have issued our report thereon dated December 27, 2022.

#### Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village of Cankton, Louisiana's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Cankton, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Cankton, 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 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 prior and current year audit findings and management's corrective action plan, that we consider to be a



material weakness and a significant deficiency. We consider item described as 2022-001 to be a material weakness and item described as 2022-002 to be a significant deficiency.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village of Cankton, 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 matters that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of prior and current year audit findings and management's corrective action plan as item 2022-003.

### **Village of Cankton, Louisiana's Response to Findings**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

***Champagne & Company, LLC***  
Certified Public Accountants

Breaux Bridge, Louisiana  
December 27, 2022

VILLAGE OF CANKTON, LOUISIANA

Schedule of Prior and Current Year Audit Findings and  
Management's Corrective Action Plan  
For the Year Ended June 30, 2022

I. Prior Year Findings:

Internal Control Over Financial Reporting

2021-001 – Inadequate Segregation of Accounting Functions

Finding: Due to the small number of employees, the Village did not have adequate segregation of functions within the accounting system.

Status: Unresolved. See item 2022-001.

2021-002 – Inadequate Controls Over Financial Statement Preparation

Finding: The Village does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including related notes.

Status: Unresolved. See item 2022-002.

Compliance

2021-003 – Noncompliance with Louisiana Local Government Budget Act

Finding: The Village expenditures and other uses of the Sales Tax Fund exceeded the budgeted expenditures by approximately 184%.

Status: Unresolved. See item 2022-003.

2021-004 – Noncompliance with Louisiana Local Government Budget Act

Finding: The Village adopted their budget for fiscal year ending June 30, 2021, in July 2021.

Status: Resolved.

2021-005 – Noncompliance with Louisiana Local Government Budget Act

Finding: The Village's amended budget for fiscal year ending June 30, 2021 reflected proposed expenditures that exceeded total estimated funds for the General Fund.

Status: Resolved.

Management Letter Items

There were no items reported at June 30, 2021.

(continued)

VILLAGE OF CANKTON, LOUISIANA

Schedule of Prior and Current Year Audit Findings and  
Management's Corrective Action Plan (continued)  
For the Year Ended June 30, 2022

II. Current Year Findings and Management's Corrective Action Plan:

2022-001 – Inadequate Segregation of Accounting Functions; Year Initially Occurring – Unknown

Condition and Criteria:

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

Effect:

This condition represents a material weakness in the internal control of the Village.

Cause:

The condition resulted because of the small number of employees in the accounting department.

Recommendation:

No plan is considered necessary due to the fact that it would not be cost effective to implement a plan.

Management's Corrective Action Plan:

Mr. Kevin Colligan, Mayor, determined that it is not cost effective to achieve complete segregation of duties within the accounting department. No plan is considered necessary.

2022-002 – Inadequate Controls Over Financial Statement Preparation; Year Initially Occurring – Unknown

Condition and Criteria:

The Village does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements.

Effect:

This condition represents a significant deficiency in the internal control of the Village.

Cause:

The condition resulted because Village personnel do not have the qualifications and training to apply GAAP in recording the entity's financial transactions or preparing the financial statements.

(continued)

VILLAGE OF CANKTON, LOUISIANA

Schedule of Prior and Current Year Audit Findings and  
Management's Corrective Action Plan (continued)  
For the Year Ended June 30, 2022

**Recommendation:**

The Village should consider outsourcing this task to its independent auditors and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

**Management's Corrective Action Plan:**

Mr. Kevin Colligan, Mayor, has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interest of the Village to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.

Compliance

2022-003 – Noncompliance with Louisiana Local Government Budget Act; Year Initially Occurred—  
06/30/2020

Condition and Criteria:

Louisiana Revised Statute (LSA-R.S.) 39:1301-1314, known as the Local Government Budget Act, requires that the budget be amended when actual expenditures and other uses plus projected expenditures and other uses are exceeding the budgeted expenditures and other uses by five percent or more. The Village expenditures and other uses of the Sales Tax Fund exceeded the budgeted expenditures by approximately 11.6%.

Effect:

This condition represents a violation of the Louisiana Government Budget Act.

Cause:

The Village did not amend the budgeted expenditures for the Sales Tax Fund.

Recommendation:

The Village should evaluate the expenditures incurred as the year progresses and amend the budget, if necessary.

Management's Corrective Action Plan:

Mr. Kevin Colligan, Mayor, will monitor expenditures incurred in comparison to budgeted expenditures in the current fiscal year, and amend the budget as necessary.

**VILLAGE OF CANKTON, LOUISIANA**

**Statewide Agreed-Upon Procedures Report**

**Year Ended June 30, 2022**

# Champagne & Company, LLC

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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Management of Village of Cankton 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, 2021 through June 30, 2022. The Village of Cankton's management is responsible for those C/C areas identified in the SAUPs.

The Village of Cankton 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, 2021 through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### ***Written Policies and Procedures***

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.  
*No exceptions noted.*
  - b) ***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.

*Written policies and procedures do not address how vendors are added to the vendor list.*

- c) **Disbursements**, including processing, reviewing, and approving.  
*No exceptions noted.*
- d) **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).  
*Written policies and procedures do not address management's actions to determine the completeness of all collections for each type of revenue or agency fund additions.*
- e) **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.  
*No exceptions noted.*
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.  
*No exceptions noted.*
- g) **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).  
*No exceptions noted.*
- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.  
*No exceptions noted.*
- i) **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 documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.  
*Written policies and procedures do not address a system to monitor possible ethics violations, nor a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.*
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.  
*No exceptions noted.*
- k) **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.  
*No exceptions noted.*
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

*Written policies and procedures do not address annual employee training nor annual reporting.*

### ***Board or Finance Committee***

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2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

*The board did not meet for two months during the fiscal year due to lack of a quorum.*

- For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit 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.*

*The minutes referenced did not include monthly budget to actual comparisons on the general fund, quarterly budget to actual comparisons on proprietary fund, and semi-annual budget to actual comparisons on special revenue fund.*

- For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

*No exceptions noted.*

### ***Bank Reconciliations***

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

*Obtained a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Management identified the entity's main operating account. Obtained bank statements and reconciliations for the main operating account and 4 additional accounts for one random month during the period.*

- Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

*No exceptions noted.*

- Bank reconciliations include 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

*All bank reconciliations tested did not include evidence that they had been reviewed by management/board member who does not handle cash, post ledgers, or issue checks.*



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

*Four of the five bank reconciliations tested did not have documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months.*

#### ***Collections (excluding electronic funds transfers)***

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

*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.*

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

*Obtained a listing of collection locations for each deposit site and management's representation that the listing is complete. Obtained written policies and procedures relating to employee job duties.*

- a) Employees responsible for cash collections do not share cash drawers/registers.

*Employees responsible for cash collections share a cash drawer.*

- b) 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.

*The employee responsible for collecting cash is also responsible for preparing/making bank deposits and another employee/official is not responsible for reconciling collection documentation to the deposit.*

- c) 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.

*The employee responsible for collecting cash is also responsible for posting collection entries to the general ledger and another employee/official is not responsible for reconciling ledger postings to each other and to the deposit.*

- d) 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.

*The employee responsible for reconciling cash collections to the general ledger is also responsible for collecting cash and another employee does not verify the reconciliations.*

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

*No exceptions noted.*

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made

on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *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.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

*No exceptions noted.*

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

*No exceptions noted.*

- c) Trace the deposit slip total to the actual deposit per the bank statement.

*No exceptions noted.*

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

*One of the deposits tested was not made within one business day of receipt.*

- e) Trace the actual deposit per the bank statement to the general ledger.

*No exceptions noted.*

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

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

*Obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete.*

- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

*Obtained a listing of those employees involved with non-payroll purchasing and payment functions. Obtained written policies and procedures relating to employee job duties.*

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

*At least two employees are not involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.*

- b) At least two employees are involved in processing and approving payments to vendors.

*No exceptions noted.*

- c) 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.

*The employee responsible for processing payments is not prohibited from adding/modifying vendor files and another employee is not responsible for periodically reviewing changes to vendor files.*

- d) 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.

*No exceptions noted.*

- 10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

- a) Observe that the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

*No exceptions noted.*

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

*No exceptions noted.*

### **Credit Cards/Debit Cards/Fuel Cards/P-Cards**

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

*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 names of the persons who maintained possession of the cards and obtained management's representation that the listing is complete.*

- 12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe whether 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.]]

*All monthly statements tested were not reviewed and approved, in writing, by someone other than the card holder.*

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

*No exceptions noted.*

- 13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe 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.

*Three transactions tested were not supported by an original detailed/itemized receipt. One transaction tested did not have documentation of the individuals participating in meals.*

#### ***Travel and Travel-Related Expense Reimbursements (excluding card transactions)***

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

*Village of Cankton did not have any travel reimbursements in the fiscal period therefore this test is not applicable.*

- a) If reimbursed using a per diem, observe 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](http://www.gsa.gov)).
- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe 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 policy (procedure #1h).
- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

#### ***Contracts***

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15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

*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 and management's representation that the listing is complete.*

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.  
*No exceptions noted.*
- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).  
*No exceptions noted.*
- c) If the contract was amended (e.g., change order), observe 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).  
*No exceptions noted.*

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

*No exceptions noted.*

### ***Payroll and Personnel***

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

*Obtained a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Salaries/pay rates are not maintained in personnel files.*

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
  - a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

*One employee tested did not have documentation for daily attendance.*

- b) Observe that supervisors approved the attendance and leave of the selected employees or officials.

*One employee tested did not have documentation of supervisor's approval of attendance.*

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

*No exceptions noted.*

- d) Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

*Salaries/pay rates are not maintained in the personnel files.*

18. Obtain 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 select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

*There were no termination payments; therefore, this step is not applicable.*

19. Obtain 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.

*No exceptions noted.*

## ***Ethics***

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

*Four employees tested did not have documentation that demonstrates the employee/official completed one hour of ethics training during the fiscal period.*

- b) Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

*There were no changes to the entity's ethics policy during the fiscal period; therefore, this step is not applicable.*

## ***Debt Service***

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21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

*The Village of Cankton did not have bonds/notes and other debt instruments issued during the fiscal period; therefore, this test was not applicable.*

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

*The Village of Cankton does not have bond/notes outstanding at the end of the fiscal period; therefore, this test was not applicable.*

## ***Fraud Notice***

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

*There were no misappropriations of public funds and assets during the fiscal period, therefore, this step is not applicable.*

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

*The entity has not 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.*

## ***Information Technology Disaster Recovery/Business Continuity***

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25. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- a) Obtain and inspect 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

observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

*We performed the procedure and discussed the results with management.*

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

*We performed the procedure and discussed the results with management.*

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

*We performed the procedure and discussed the results with management.*

### ***Sexual Harassment***

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- 26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

*Four employees tested did not have documentation that demonstrated that the employee/official completed at least one hour of sexual harassment training during the calendar year.*

- 27. 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).

*Village of Cankton does not have its sexual harassment policy and complaint procedures located on its website.*

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

*Village of Cankton did not prepare its annual sexual harassment report for the current fiscal period.*

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

We were engaged by the Village of Cankton 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 Cankton 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.

***Champagne & Company, LLC***  
Certified Public Accountants

Breaux Bridge, Louisiana  
December 27, 2022



VILLAGE OF CANKTON, LOUISIANA

Management's Response to Statewide Agreed-Upon Procedures  
For the Year Ended June 30, 2022

Management Responses to Exceptions:

- 1b,d,i,l Village of Cankton (VOC) will update its policies and procedures to include the items required by the Legislative Auditor Statewide Agreed Upon Procedures.
- 2a VOC will take necessary steps to ensure the board will meet at least monthly with a quorum.
- 2b VOC will begin making reference in the minutes of the meeting to monthly budget to actual comparisons on the general fund, quarterly budget to actual comparisons on the proprietary fund, and semi-annual budget to actual comparisons on the special revenue fund.
- 3b VOC will designate an individual who does not handle cash, post ledgers, or issue checks, to review bank reconciliations and include evidence of such review.
- 3c Management will begin researching reconciling items that have been outstanding for more than 12 months and documenting such research.
- 5a,b,c,d Due to the limited number of staff, it will be difficult to achieve segregation of duties within the collections function to have multiple cash drawers and the person responsible for collecting cash not responsible for making the bank deposit, posting collection entries to the general ledger and subsidiary ledgers, and reconciling the collections to the bank statement.
- 7d Management will make an effort to have all collections deposited within one business day of collection.
- 9a,c, 12a Due to the limited number of staff, it will be difficult to achieve segregations of duties within the disbursement function to have employees involved in making a purchase request for all transactions (currently, all transactions greater than \$500 require two employees), to have the employee responsible for processing payments prohibited from adding / modifying vendor files, and for monthly credit card statements to be reviewed and approved by someone other than the card holder.
- 13 VOC will make an effort to have an original itemized receipt for every credit card transaction.
- 16,17a,17b,17d VOC will update its personnel files to reflect current salaries / pay rates for employees and officials. VOC will make an effort to ensure all time and attendance records are maintained and approved by a supervisor.
- 20a,26 VOC will begin monitoring all employees/officials to ensure the annual ethics and sexual harassment training is done on a timely basis and documentation is maintained in the personnel file that demonstrates such.

(continued)

VILLAGE OF CANKTON, LOUISIANA

Management's Response to Statewide Agreed-Upon Procedures (continued)  
For the Year Ended June 30, 2022

- 24,27      VOC will post 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 and its sexual harassment policy and complaint procedures (where necessary).
  
- 28a-e      VOC will begin preparing an annual sexual harassment report.