

Village of Quitman

Quitman, Louisiana

Annual Financial Statements
with Independent Auditor's Report

As of and For the Year Ended
December 31, 2019
with Supplemental Information Schedules

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Independent Auditor's Report

Village of Quitman
Quitman, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, and each major fund of the Village of Quitman, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Village of Quitman's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, and each major fund of the Village of Quitman, as of December 31, 2019, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of 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 require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Quitman's basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head and the Schedule of Paid Aldermen are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Compensation, Benefits, and Other Payments to Agency Head and the Schedule of Paid Aldermen are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits, and Other Payments to Agency Head and the Schedule of Paid Aldermen are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

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

Kenneth D. Felden & Co., CPAs

Jonesboro, Louisiana
June 30, 2021

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

Village of Quitman
Quitman, Louisiana

Statement of Net Position
As of December 31, 2019

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and equivalents	\$ 125,554	\$ 48,768	\$ 174,322
Investments	26,986	43,175	70,161
Accounts receivable	-	18,799	18,799
Cash and equivalents - restricted	-	95,359	95,359
Capital assets (net of accumulated depreciation)	267,950	1,636,264	1,904,214
Total Assets	<u>420,490</u>	<u>1,842,365</u>	<u>2,262,855</u>
Liabilities			
Accounts payable	4,420	2,681	7,101
Payroll liabilities	-	172	172
Cash overdraft	-	1,702	1,702
Customer meter deposits	-	13,860	13,860
Long-term liability - current portion	-	35,954	35,954
Long-term liability - accrued interest	-	14,665	14,665
Long-term liability - noncurrent portion	-	534,115	534,115
Total Liabilities	<u>4,420</u>	<u>603,149</u>	<u>607,569</u>
Net Position			
Net investment in capital assets	267,950	1,102,149	1,370,099
Unrestricted	148,119	137,067	285,186
Total Net Position	<u>\$ 416,069</u>	<u>\$ 1,239,216</u>	<u>\$ 1,655,285</u>

The accompanying notes are an integral part of these financial statements.

Village of Quitman
Quitman, Louisiana

Statement of Activities
For the Year Ended December 31, 2019

Expenses	Major Funds			Net (Expense) Revenue and Changes in Net Position			
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
<u>Functions/Programs</u>							
Primary government							
Governmental activities							
General government	\$ 60,744	\$ -	\$ -	\$ (60,744)	\$ -	(60,744)	
Police	4,526	18,811	-	14,285	-	14,285	
Highways and streets	283,420	-	248,995	(34,425)	-	(34,425)	
Total governmental activities	348,690	18,811	248,995	(80,884)	-	(80,884)	
Business-type activities							
Water and sewer	287,166	175,133	19,800	327,725	235,492	235,492	
Total primary government	\$ 635,856	\$ 193,944	\$ 268,795	\$ 327,725	(80,884)	235,492	154,608
<u>General Revenues</u>							
Taxes:							
Franchise taxes				3,638	-	3,638	
Licenses				21,284	-	21,284	
Investment earnings				285	413	698	
Rental income				210	-	210	
Other revenue				11,120	3,264	14,384	
Operating transfers				154,674	(154,674)	-	
Total general revenues and transfers				191,211	(150,997)	40,214	
Change in net position				110,327	84,495	194,822	
Net position - December 31, 2018				305,742	1,154,722	1,460,464	
Net position - December 31, 2019				\$ 416,069	\$ 1,239,217	\$ 1,655,286	

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

Village of Quitman
Quitman, Louisiana

Balance Sheet - Governmental Funds
As of December 31, 2019

	General Fund
Assets	
Cash and equivalents	\$ 125,554
Investments	<u>26,986</u>
Total Assets	<u><u>\$ 152,540</u></u>
Liabilities & Fund Balances	
Liabilities:	
Accounts payable	\$ <u>4,420</u>
Total Liabilities	<u>4,420</u>
Fund balances:	
Unassigned, reported in:	
General revenue fund	<u>148,119</u>
Total Fund Balances	<u>148,119</u>
Total Liabilities and Fund Balances	<u><u>\$ 152,539</u></u>

The accompanying notes are an integral part of these financial statements.

Village of Quitman
Quitman, Louisiana

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
As of December 31, 2019

Total Fund Balances at December 31, 2019 - Governmental Funds (Statement C)	\$	148,119
Total Net Position reported for governmental activities in the Statement of Net Position (Statement A) are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds, net of depreciation.	_____	267,950
Net Position at December 31, 2019	\$	<u>416,069</u>

The accompanying notes are an integral part of these financial statements.

Village of Quitman
Quitman, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds
For the Year Ended December 31, 2019

	General Fund
Revenues	
Taxes:	
Franchise tax	3,638
Licenses and permits	21,284
Operating grant	248,995
Fines, forfeitures, and court costs	18,811
Rent, royalty, and commission	210
Miscellaneous	11,120
Total revenues	304,058
Expenditures	
Current:	
General government	44,162
Public safety	
Police	4,526
Streets	283,420
Capital outlay	4,710
Total expenditures	336,818
Excess (deficiency) of revenues over (under) expenditures	(32,760)
Other financing sources (uses)	
Interest earnings	285
Operating transfers	154,674
Total other financing sources (uses)	154,959
Net changes in fund balances	122,199
Fund balances - December 31, 2018	25,920
Fund balances - December 31, 2019	\$ 148,119

The accompanying notes are an integral part of these financial statements.

Village of Quitman
Quitman, Louisiana

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Funds Balances to the Statement of Activities
For the Year Ended December 31, 2019

Total net change in Fund Balances - Governmental Funds (Statement E)	\$	122,199
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Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets capitalized over their estimated useful lives as depreciation expense. This is the amount by which capital outlay differs from depreciation for the period.

Depreciation		(16,582)
Capital outlay		<u>4,710</u>
Change in net position of governmental activities (Statement B)	\$	<u><u>110,327</u></u>

The accompanying notes are an integral part of these financial statements.

Village of Quitman
Quitman, Louisiana

Statement of Net Position - Proprietary Fund
As of December 31, 2019

	Water & Sewer Fund
Assets	
Current Assets:	
Cash and equivalents	\$ 48,768
Investments	43,175
Accounts receivable	18,799
Total Current Assets	110,742
Noncurrent Assets:	
Cash and equivalents - restricted	95,359
Capital assets (net of accumulated depreciation)	1,636,264
Total Noncurrent Assets	1,731,623
Total Assets	\$ 1,842,365
Liabilities	
Current Liabilities:	
Accounts payable	\$ 2,681
Payroll liabilities	172
Cash overdraft	1,702
Long-term liability - current portion	35,954
Long-term liability - accrued interest	14,665
Total Current Liabilities	55,174
Current liabilities payable from restricted assets	
Customer meter deposits	13,860
Non-Current Liabilities:	
Long-term liability - noncurrent portion	534,115
Total Non-Current Liabilities	534,115
Total Liabilities	603,149
Net Position	
Net investment in capital assets	1,102,149
Unrestricted	137,067
Total Net Position	\$ 1,239,216

The accompanying notes are an integral part of these financial statements.

Village of Quitman
Quitman, Louisiana

Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Fund
For the Year Ended December 31, 2019

	Water & Sewer Fund
Operating Revenues	
Water sales	\$ 163,113
Sewer fees	12,020
Operating grant	19,800
Miscellaneous income	3,264
Total operating revenues	<u>198,197</u>
Operating Expenses	
Personnel services	43,793
Supplies	9,982
Repairs and maintenance	26,321
Contractual services	10,407
Miscellaneous	48,584
Depreciation	148,079
Total operating expenses	<u>287,166</u>
Operating Income (Loss)	<u>(88,969)</u>
Non-operating Revenues (Expenses)	
Interest earnings	413
Capital grant	327,725
Total non-operating revenues (expenses)	<u>328,138</u>
Income (loss) before transfers	239,169
Operating transfers	<u>(154,674)</u>
Change in net position	84,495
Total Net Position - December 31, 2018	<u>1,154,722</u>
Total Net Position - December 31, 2019	<u>\$ 1,239,217</u>

The accompanying notes are an integral part of these financial statements.

Village of Quitman
Quitman, Louisiana

Statement of Cash Flows - Proprietary Fund
For the Year Ended December 31, 2019

	Water & Sewer Fund
Cash flows from operating activities	
Cash received from customers	\$ 162,284
Cash payments to suppliers for goods and services	(6,717)
Cash payments to employees	(46,083)
Net cash provided by (used for) operating activities	109,484
Cash flows from non-capital financing	
Transfers to other funds	(154,674)
Net cash provided by (used for) non-capital financing activities	(154,674)
Cash flows from capital and related financing activities	
Acquisition of capital assets	(415,275)
Principal paid on capital debt	(108,355)
New borrowings on capital assets	273,921
Capital grant	327,725
Net cash provided by (used for) capital and related financing activities	78,017
Cash flows from investing activities	
Other income	1,295
Interest earnings	413
Net cash provided by (used for) investing activities	1,708
Net increase (decrease) in cash and cash equivalents	34,535
Cash and cash equivalents - December 31, 2018	109,592
Cash and cash equivalents - December 31, 2019	\$ 144,127
Reconciliation of operating income to net provided by operating activities	
Operating income	\$ (88,970)
Adjustments	
Depreciation	148,079
Net changes in assets and liabilities	
Accounts receivable	231
Due from other funds	37,870
Inventory	3,452
Customers' meter deposits	1,700
Accounts payable	(5,564)
Payroll liabilities	(1,979)
Interest payable	14,665
Net cash provided for (used for) operating activities	\$ 109,484

The accompanying notes are an integral part of these financial statements.

**NOTES TO THE
FINANCIAL STATEMENTS**

Village of Quitman
Quitman, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2019

INTRODUCTION

The Village of Quitman, Louisiana was incorporated in 1901 under the Louisiana Revised Statutes 33:52. The Village consists of 190 citizens. The Village operates under the Mayor-Board of Alderman form of government. The Board of Aldermen consists of three members who are elected. The Village is located in North Louisiana in Jackson Parish.

The Village employs a village clerk, chief of police, and water and sewer superintendent as part-time employees.

The Village provides the following services to its residents: public safety (police and fire), highways and streets, parks and recreation, and general administrative services through the general fund; and water and sewer facilities through the enterprise fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying financial statements of the Village have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Village applies all relevant GASB pronouncements, as applicable to governmental entities. Also, the Village's financial statements are prepared in accordance with the requirements of Louisiana R.S. 24:513, the Louisiana Municipal Audit and Accounting Guide and to the industry guide, Audits of State and Local Government Units, published by the American Institute of Certified Public Accountants.

B. Reporting Entity

GASB Statement No. 14, The Financial Reporting Entity, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Village is considered a primary government, since it is a general purpose local government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the Village may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt.

GASB Statement No. 39, Determining Whether Certain Organizations are Component Units, establishes criteria for determining which, if any, component units should be considered part of the Village for financial reporting purposes. GASB Statement No. 61 provides additional criteria for classifying entities as component units. The basic criterion for including a potential component unit within the reporting entity is financial accountability, which includes:

1. Appointing a voting majority of an organization's governing body, and:
 - i. The ability of the government to impose its will on that organization and/or
 - ii. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the government.

Village of Quitman
Quitman, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2019

2. Organizations for which the government does not appoint a voting majority but are fiscally dependent on the government and there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the above criteria, no component units were identified for the Village of Quitman.

C. Government-Wide Financial Statements

The Village's government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements present summaries of the governmental activities and the business-type activities for the Village. Fiduciary activities of the Village are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Village's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Village of Quitman's governmental activities.

Program Revenues - Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the Village's taxpayers or citizenry, including (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program; program revenues reduce the cost of the function to be financed from the Village's general revenues.

Direct Expenses - The Village reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function.

Indirect Expenses - The Village reports all indirect expenses separately on the Statement of Activities (Statement B). Indirect expenses are those expenses that are not clearly identifiable with a function. Interest on long-term debt is considered an indirect expense.

General revenues are taxes and other items that are not properly included among program revenues. The effect of interfund activity has been removed from the government-wide financial statements.

Village of Quitman
Quitman, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2019

D. Fund Financial Statements

The accounts of the Village of Quitman are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, expenditures or expenses, as appropriate, additions, and deductions. 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 maintained is consistent with legal and managerial requirements. Funds of the Village are classified into two categories: governmental and proprietary.

Governmental Funds

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The Village has presented all major funds.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources are included on the Balance Sheets. Amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure. Long-term debts are reported as an other financing source, and repayment of long-term debt is reported as an expenditure. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon thereafter to pay liabilities of the current period. Accordingly, revenues are recorded when received in cash and when collected within 60 days after year-end. Expenditures are recorded in the accounting period in which the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized when due.

The Village of Quitman reports the following major governmental funds:

General Fund - The primary operating fund of the Village, the General Fund, accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to Village policy.

Revenues

The governmental funds use the following practices in recording revenues:

Village of Quitman
Quitman, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2019

Those revenues susceptible to accrual are property taxes, franchise taxes, and charges for services. Fines and permit and license revenues are not susceptible to accrual because generally they are not measurable until received in cash.

Entitlements and shared revenues are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible-to-accrual criteria are met. Expenditure-driven grants are recognized when the qualifying expenditures have been incurred, all other grant requirements have been met, and the susceptible-to-accrual criteria have been met.

Interest earnings are recorded when the investments have matured and the interest is available.

Expenditures

The governmental funds use the following practices in recording expenditures:

Salaries are recorded as expenditures when earned by employees.

Purchases of various operating supplies, etc. are recorded as expenditures when the related fund liability is incurred.

Compensated absences are recognized as expenditures when leave is actually taken or when employees, or their heirs, are paid for accrued leave upon retirement or death.

Principal and interest on long-term debt are recognized when due.

Other Financing Sources (Uses)

The governmental funds use the following practices in recording other financing sources (uses):

Transfers between funds that are not expected to be repaid, sales of fixed assets, and long-term debt proceeds and payments, are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Proprietary Funds

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (net total position) is segregated into three components-net investment in capital assets, restricted net position, and unrestricted net position. Proprietary fund-type operating statements present increases (revenues) and decreases (expenses) in net total position. The proprietary funds use the accrual basis of accounting, where revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of the related cash flows.

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

Village of Quitman
Quitman, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2019

The Enterprise Fund of the Village of Quitman is the Water and Sewer Fund, which accounts for the operations of the waterworks and sewerage systems. The intent of the Village for these facilities is (a) that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) that 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.

Revenues and Expenses

Operating revenues in the proprietary fund are those that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

E. Equity Classifications

The Village of Quitman has implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.

In the Government-Wide Financial Statements and the Proprietary Fund Financial Statements, the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources is classified as net position and reported in three components:

Net investment in capital assets: This classification consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of these assets.

Restricted net position: This classification consists of net position with constraints placed on its use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or law through constitutional provision or enabling legislation.

Unrestricted net position: Any other net position that does not meet the definition of "restricted" or "net investment in capital assets."

When an expense is incurred for the purposes for which both restricted and unrestricted net position are available, management applies unrestricted net position first, unless a determination is made to use restricted net position. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

The Governmental Fund Financial Statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Village is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The Village did not have any nonspendable funds for the year ended December 31, 2019.

Village of Quitman
Quitman, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2019

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Village did not have any restricted funds for the year ended December 31, 2019.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Aldermen. These amounts cannot be used for any other purpose unless the Board of Aldermen removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Board typically establishes commitments through the adoption and amendment of the budget. The Village did not have any committed funds for the year ended December 31, 2019.

Assigned: This classification includes amounts that are constrained by the Village's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Aldermen or through the Board delegating this responsibility to a body or official (Mayor) for specific purposes. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The Village did not have any assigned funds.

Unassigned: This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts. The Village has \$148,119 of unassigned funds in the General Fund.

The Village would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

F. Budgets

The Village adopted a budget for the year ended December 31, 2019 for the General Fund. The Village uses the following procedures in establishing the budgetary data reflected in the financial statements. During the December meeting, the Village Clerk submits to the Board of Aldermen a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and expenses and the means of financing them. During the December meeting, the budget is legally enacted through passage of an ordinance. The public is invited to attend all meetings. The Village Clerk is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures or expenses of any fund must be approved by the Board of Aldermen. Appropriations lapse at the end of the year. There was one amendment to the original General Fund budget.

The 2019 General Fund budget was made available for public inspection. On December 4, 2018, the budget was adopted by the Mayor and Board of Aldermen. The budget was legally amended on December 3, 2019.

Village of Quitman
Quitman, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2019

G. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Village of Quitman may deposit funds in demand deposits in stock-owned federally insured depository institutions organized under the laws of the state of Louisiana or of any other state of the United States, or under the laws of the United States. The Village may invest in certificates and time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

For the purposes of the statement of cash flows, cash equivalents include all highly liquid investments with a maturity date of 90 days or less when purchased.

Under state law, the Village may invest in United States bonds, treasury notes, or certificates. Those with maturities of 90 days or less would be classified as cash equivalents and all other reported as investments.

The Village reports restricted assets on the Statement of Net Position (Statement A), which includes restricted cash (customer deposits) that is collected by the Water and Sewer Department.

H. Investments

The Village of Quitman's investments comply with Louisiana Revised Statute 33:2955. Under state law, the Village may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The Village may invest in United States bonds, treasury notes and bills, or government-backed agency securities or certificates, and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. These deposits are classified as investments if their original maturities exceed 90 days. Investments are stated at fair value except for those which are permitted under GASB Statement No. 31 to use a different valuation measurement.

In accordance with paragraph 69 of GASB Statement No. 72, the Village reports at amortized cost money market investments and participating interest-bearing investment contracts that have a remaining maturity at the time of purchase of one year or less. Money market investments are short-term, highly liquid debt instruments that include U.S. Treasury obligations.

I. Interfund Receivables and Payables

Activity between funds that is representative of lending or borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" on the fund financial statements balance sheets, as well as all other outstanding balances between funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Village of Quitman
Quitman, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2019

J. Inventories

Inventories of supplies in the Proprietary Fund are not material and are charged to operations as purchased.

K. Capital Assets

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

Improvements and replacements of property and equipment are capitalized. Maintenance and repairs that do not improve or extend the lives of property and equipment are charged to expense as incurred. When assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts and any gain or loss is reported in the Statement of Activities.

Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed using the straight-line method. Depreciation is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. The estimated useful life for classes of assets are as follows:

Description	Estimated Lives
Water and sewer lines	40 years
Buildings and building improvements	10-27 years
Vehicles	3-5 years
Equipment	3-7 years

In accordance with GASB Statement No. 34, general infrastructure capital assets consisting of streets, bridges, sidewalks, and drainage systems acquired before July 1, 2003, are excluded from capital assets.

L. Deferred Outflows of Resources

The Village reports decreases in net position that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statements of net position. The Village reported no deferred outflows of resources.

Village of Quitman
Quitman, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2019

M. Deferred Inflows of Resources

The Village reports increases in net position that relate to future periods as deferred inflows of resources in a separate section of its government-wide and proprietary funds statements of net position. The Village will not recognize the related revenues until a future event occurs. The Village reported no deferred inflows of resources.

N. Interfund Transactions

Interfund activity is reported as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements are when a fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or enterprise funds are netted as part of the reconciliation to the government-wide financial statements.

Resources belonging to particular funds are commonly shared with other funds that need access to additional resources. When resources are provided without the expectation of repayment, the transaction is reported as a transfer and is treated as a source of income by the recipient fund and as an expenditure by the providing fund.

Activity between funds that is representative of lending or borrowing arrangements outstanding at the end of the fiscal year are referred to as "due from other funds" or "due to other funds" on the Fund Financial Statements Balance Sheet (Statement C), as well as all other outstanding balances between funds.

In the process of aggregating data for the Statement of Net Position (Statement A) and the Statement of Activities (Statement B), some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

O. Estimates

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

Village of Quitman
Quitman, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2019

2. Cash, Cash Equivalents, and Investments

At December 31, 2019, the Village had cash and cash equivalents (book balances) totaling \$269,681, including interest bearing demand deposits of \$269,394 and \$287 cash on hand. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

At December 31, 2019, the Village had investments (book balances) totaling \$70,161.

At December 31, 2019, the Village had \$260,481 in deposits (collected bank balances). All deposits are secured from risk by federal deposit insurance and pledged securities.

Cash and investments are categorized to give an indication of the level of risk assumed by the Village at December 31, 2019. Deposits are considered to be exposed to custodial credit risk if they are not covered by depository insurance and the deposits are (a) uncollateralized, (b) collateralized with securities held by the pledging financial institution, or (c) collateralized with securities held by the the pledging financial institution's trust department or agent but not in the depositor-government's name. The Village of Quitman has cash and cash equivalents that are covered by \$250,000 of federal depository insurance and SAMOUNT in pledged securities.

3. Receivables

The receivables of \$18,799 at December 31, 2019, are as follows:

	Fund		Total
	General	Enterprise	
Accounts	\$ -	\$ 18,799	\$ 18,799
Allowance for uncollectible accounts	-	-	-
Total	<u>\$ -</u>	<u>\$ 18,799</u>	<u>\$ 18,799</u>

Village of Quitman
Quitman, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2019

4. Capital Assets

A summary of changes in capital assets for the year ended December 31, 2019, is as follows:

A. Capital Assets - Governmental Activities

	Balance, January 01, 2019	Additions	Deletions	Balance, December 31, 2019
Capital assets not being depreciated				
Land	\$ 18,000	\$ -	\$ -	\$ 18,000
Total capital assets not being depreciated	<u>18,000</u>	<u>-</u>	<u>-</u>	<u>18,000</u>
Capital assets being depreciated				
Buildings	6,291	1,600	-	7,891
Infrastructure - Streets	319,474	-	-	319,474
Machinery and equipment	141,599	3,110	-	144,710
Vehicles	2,190	-	-	2,190
Total capital assets being depreciated	<u>469,554</u>	<u>4,710</u>	<u>-</u>	<u>474,265</u>
Less accumulated depreciation				
Buildings	2,317	310	-	2,628
Infrastructure - Streets	95,715	7,987	-	103,702
Machinery and equipment	107,511	8,285	-	115,796
Vehicles	2,190	-	-	2,190
Total accumulated depreciation	<u>207,733</u>	<u>16,582</u>	<u>-</u>	<u>224,316</u>
Capital assets, net	<u>261,821</u>	<u>(11,872)</u>	<u>-</u>	<u>249,949</u>
Governmental capital assets - net	<u>\$ 279,821</u>	<u>\$ (11,872)</u>	<u>\$ -</u>	<u>\$ 267,949</u>

Village of Quitman
Quitman, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2019

B. Capital Assets - Proprietary Funds

	Balance, January 01, 2019	Additions	Deletions	Balance, December 31, 2019
Capital assets not depreciated				
Construction in Progress	\$ 7,710	\$ 415,275	\$ -	\$ 422,985
Total capital assets not being depreciated	<u>7,710</u>	<u>415,275</u>	<u>-</u>	<u>422,985</u>
Capital assets being depreciated				
Buildings	8,500	-	-	8,500
Sewer system	765,000	-	-	765,000
Water system	2,725,804	-	-	2,725,804
Machinery and equipment	71,337	-	-	71,337
Total capital assets being depreciated	<u>3,570,641</u>	<u>-</u>	<u>-</u>	<u>3,570,641</u>
Less accumulated depreciation				
Buildings	5,100	425	-	5,525
Sewer system	651,364	22,727	-	674,091
Water system	1,485,646	123,320	-	1,608,967
Machinery and equipment	67,173	1,607	-	68,779
Total accumulated depreciation	<u>2,209,282</u>	<u>148,079</u>	<u>-</u>	<u>2,357,362</u>
Capital assets, net	<u>1,361,359</u>	<u>(148,079)</u>	<u>-</u>	<u>1,213,279</u>
Business-type activities capital assets - net	<u>\$ 1,369,069</u>	<u>\$ 267,196</u>	<u>\$ -</u>	<u>\$ 1,636,264</u>

5. Payables

The payables of \$8,975 at December 31, 2019, are as follows:

	Fund		
	General	Enterprise	Total
Accounts	\$ 4,420	\$ 2,681	\$ 7,101
Payroll liabilities	-	172	172
Cash overdraft	-	1,702	1,702
Total	<u>\$ 4,420</u>	<u>\$ 4,555</u>	<u>\$ 8,975</u>

Village of Quitman
Quitman, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2019

6. Long-Term Obligations

The Village of Quitman entered into loan agreements with the Jackson Parish Bank and the Louisiana Public Facilities Authority to upgrade the Wastewater Treatment system. These loans are considered grant anticipation loans, meaning the loans will be paid off with grant funds from the Federal Emergency Management Agency once the work is complete. The maturity on these loans was first set for June 30, 2020, but has been extended to June 30, 2021. The following is a summary of the long-term obligation transactions for the year ended December 31, 2019:

Long-term Obligation	Balance, January 01, 2019	Additions	Deletions	Balance, December 31, 2019
DHH Loan 1049014	\$ 158,000	\$ -	\$ 29,000	\$ 129,000
USDA Loan	246,503	-	5,141	241,362
Jackson Parish Bank	-	205,576	55,660	149,916
Louisiana Public Facilities Authority	-	68,345	18,553	49,792
Total	<u>\$ 404,503</u>	<u>\$ 273,921</u>	<u>\$ 108,355</u>	<u>\$ 570,070</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of December 31, 2019:

Long-term Obligation	Current Portion	Long-term Portion	Total
DHH Loan 1049014	\$ 30,500	\$ 98,500	\$ 129,000
USDA Loan	5,454	235,908	241,362
Jackson Parish Bank	-	149,916	149,916
Louisiana Public Facilities Authority	-	49,792	49,792
Total	<u>\$ 35,954</u>	<u>\$ 534,115</u>	<u>\$ 570,070</u>

The following is a summary of the loan payments for the DHH Loan.

Year ending December 31:	Principal	Interest	Total
2020	\$ 30,500	\$ 3,924	\$ 34,424
2021	31,500	2,855	34,355
2022	33,000	1,742	34,742
2023	34,000	587	34,587
Total	<u>\$ 129,000</u>	<u>\$ 9,108</u>	<u>\$ 138,108</u>

Village of Quitman
Quitman, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2019

The following is a summary of the loan payments for the USDA Loan.

Year ending December 31:	Principal	Interest	Total
2020	\$ 5,454	\$ 10,741	\$ 16,195
2021	5,635	10,493	16,128
2022	5,894	10,234	16,128
2023	6,164	9,964	16,128
2024	6,448	9,680	16,128
2025-2029	36,963	43,677	80,640
2030-2034	46,270	34,370	80,640
2035-2039	57,921	22,719	80,640
2040-2044	70,613	8,339	78,952
Total	<u>\$ 241,362</u>	<u>\$ 160,217</u>	<u>\$ 401,579</u>

7. Retirement Systems

The Mayor and Board of Aldermen of the Village of Quitman voted in regular session to withdraw from all municipal retirement programs in which they had previously participated. They also voted to withdraw from participation in any group health or other medical employment benefits. The Village withholds Social Security and Medicare taxes from the wages and salaries of all employees and is obligated for the matching employer contribution for the taxes.

8. Related Party Transactions

The Village of Quitman had no related party transactions for the year ended December 31, 2019.

9. Grants

Entity	Department	Operating Amount	Capital Amount	Description of Use
Clean Water Enrichment Fund	Water	\$ 19,800		water meters
Delta Regional Authority	Water		74,214	wastewater treatment plant
Federal Emergency Management Agency	General	227,395		road repair
Federal Emergency Management Agency	Water		253,411	wastewater treatment plant
Louisiana Government Assistance Program	General	21,600		road repair
Total		<u>\$ 268,795</u>	<u>\$ 327,625</u>	

Village of Quitman
Quitman, Louisiana

Notes to the Financial Statements
As of and for the year ended December 31, 2019

10. Risk Management

The Village is exposed to various risk of loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, and injuries to employees. To handle such risk of loss, the Village maintains commercial insurance policies covering automobile liability and uninsured motorist, surety bond coverage, flood insurance, and property insurance. In addition to the above policies, the Village maintains a general liability policy and an errors and omissions policy. During the past three years, no claims were paid on any of the policies which exceeded the policies' coverage amount.

11. Litigation and Claims

At December 31, 2019, the Village was not involved in any lawsuits nor is aware of any outstanding claims, which are not covered by insurance.

12. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 30, 2021, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Village of Quitman
Quitman, Louisiana

Budgetary Comparison Schedule - General Fund
For the Year Ended December 31, 2019

	Budget - Original	Budget - Final	Actual	Variance - Favorable (Unfavorable)
Revenues				
Taxes:				
Franchise tax	\$ 3,200	\$ 4,700	\$ 3,638	\$ (1,062)
Licenses and permits	24,882	24,060	21,284	(2,776)
Operating grant	10,750	-	248,995	248,995
Fines, forfeitures, and court costs	6,000	22,500	18,811	(3,689)
Rent, royalty, and commission	350	300	210	(90)
Miscellaneous	11,500	29,700	11,120	(18,580)
Total revenues	<u>56,682</u>	<u>81,260</u>	<u>304,058</u>	<u>222,798</u>
Expenditures				
Current:				
General government	52,005	71,160	44,162	26,998
Public safety				
Police	1,400	5,200	4,526	674
Streets	70	1,000	283,420	(282,420)
Capital outlay	-	-	4,710	(4,710)
Total expenditures	<u>53,475</u>	<u>77,360</u>	<u>336,818</u>	<u>(259,458)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,207</u>	<u>3,900</u>	<u>(32,760)</u>	<u>(36,660)</u>
Other financing sources (uses)				
Interest earnings	-	-	285	285
Operating transfers	(15,650)	(2,800)	154,674	157,474
Total other financing sources (uses)	<u>(15,650)</u>	<u>(2,800)</u>	<u>154,959</u>	<u>157,759</u>
Net changes in fund balances	<u>(12,443)</u>	<u>1,100</u>	<u>122,199</u>	<u>121,099</u>
Fund balances - December 31, 2018	<u>25,920</u>	<u>25,920</u>	<u>25,920</u>	<u>-</u>
Fund balances - December 31, 2019	<u>\$ 13,477</u>	<u>\$ 27,020</u>	<u>\$ 148,119</u>	<u>\$ 121,099</u>

The accompanying notes are an integral part of these financial statements.



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**Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements
Performed in Accordance With Government Auditing Standards**

Village of Quitman
Quitman, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Quitman, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Village of Quitman's basic financial statements and have issued our report thereon dated June 30, 2021. 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.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village of Quitman's internal control over financial reporting (internal control) to determine the 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 Quitman's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Quitman'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 over financial reporting 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. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Quitman's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our 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 findings and questioned costs as Finding 2019-001.

Village of Quitman's Response to Findings

The Village of Quitman's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Village of Quitman's response was not subjected to the auditing procedures applied in the audit of financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Kenneth D. Falden & Co., CPAs

Jonesboro, Louisiana
June 30, 2021

SUPPLEMENTAL INFORMATION

Village of Quitman
Quitman, Louisiana

Schedule of Findings and Questioned Costs
For the year ended December 31, 2019

We have audited the basic financial statements of the Village of Quitman as of and for the year ended December 31, 2019 and have issued our report thereon dated June 30, 2021. 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 Governmental Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2019 resulted in an unqualified opinion.

A. Summary of Auditor's Report

Report on Internal Control and Compliance Material to Financial Statements

Internal Control

Material Weakness Yes No Significant Deficiencies Yes No

Compliance

Compliance Material to Financial Statements Yes No

B. Findings - Financial Statements Audit

Current Year

Finding 2019-001 Compliance with Fiscal Agency and Cash Management Laws

Criteria: Louisiana Revised Statutes 39:1211-45 requires, in part, that public funds be secured one hundred percent of the amount of collected funds on deposits. These collected balances can be secured by any governmental agency insuring bank deposits (such as FDIC) or those securities outlined in RS 39:1224. The governmental agency is responsible for insuring that it's financial institution secures the collected balances with either insurance or pledged securities or some combination of the two.

Condition: The Village had collected balances of over \$250,000 during the audit period that were not covered by insurance or other pledged securities.

Cause: None.

Effect: Public funds held by the Village were susceptible to loss because the funds were not wholly secured.

Recommendation: The Village should develop and adopt a policy to review total collected balances periodically to insure that the collected balances are wholly secured.

Management Response: The management of Village will adopt a policy to review the total collected balances periodically to ensure that balances are wholly secured by insurance and other pledged securities.

Prior Year

No current year findings.

Village of Quitman
Quitman, LouisianaSchedule of Compensation Paid Aldermen
For the year ended December 31, 2019

	2019
Brian Burns	\$ 1,375
Jeanne Fain	125
Kristi Greer	1,500
James Trull	1,500
	\$ 3,125

Village of Quitman
Quitman, Louisiana

Schedule of Compensation, Benefits and Other Payments to Agency Head
For the year ended December 31, 2019

	Joe Vail	
	Mayor	
Salary	\$	<u>10,800</u>
	\$	<u>10,800</u>

Village of Quitman
East Quitman, LouisianaSchedule of Net Position
LCDBG Water Systems Improvements (Grant # B-16-DL-22-0001/Year 2016)
As of December 31, 2019**Assets**

Cash and equivalents	\$	_____
Accounts receivable		_____
Total Assets		_____ -

Liabilities

Due to Utility Fund		_____ -
Total Liabilities		_____ -

Net Position

	\$	_____ -
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Village of Quitman
East Quitman, Louisiana

Statement of Revenues, Expenses, and Changes in Net Position
LCDBG Water System Improvements (Grant # B-16-DL-22-0001/Year 2016)
For the Year Ended December 31, 2019

Revenues

LCDBG Program Income		\$	-
Total revenues			-

Expenses

Administration			-
Acquisition			-
Engineering			-
Construction			-
Laboratory Services			-
Construction Inspection			-
Construction Contingencies			-
Total expenses			-

Excess (deficiency) of revenues over (under) expenses -

Other financing sources (uses)

Operating transfers in (out)			-
Total other financing sources (uses)			-

Excess revenues and other sources over (under) expenses and other uses -

Net Position - December 31, 2018 -

Net Position - December 31, 2019 \$ -



KENNETH D. FOLDEN & CO.

Certified Public Accountants

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Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Board of Aldermen of Village of Quitman
Quitman, Louisiana
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Village of Quitman and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 01, 2019 through December 31, 2019. The Village's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a. Budgeting, including preparing, adopting, monitoring, and amending the budget,
 - 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.
 - c. Disbursements, including processing, reviewing, and approving,
 - d. Receipts, 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. Payroll/Personnel, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked,
 - 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,

- 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, and (5) monitoring card usage,
- h. Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers,
- i. Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy, and
- j. Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k. 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.

Exception: The Village does not have written policies and procedures.

Management's Response: The Village will develop written policies and procedures.

Board

2. Obtain and review the board/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:

- a. 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.

Response: The Board of Aldermen met monthly with a quorum except in September of 2019.

- b. For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

Response: The minutes did not reference a review of the monthly budget-to-actual comparison of the general fund or monthly financial statements for major proprietary funds. However, the financial statements were available for review at the meeting.

- c. For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted 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 unrestricted fund balance in the general fund.

Response: The Village did not have a negative ending unrestricted fund balance.

Exception: See above responses.

Management's Response: The Board of Aldermen will review budget-to-actual comparisons and document the review in the meeting minutes.

Bank Reconciliations

3. Obtain a listing of client 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 selected each account, and observe that:

Response: Management provided us with a list of bank accounts and representation that the list is complete.

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

Response: There was no indication that the bank reconciliations were completed within two months of the statement closing date by an electronic date signature printed on the reconciliation.

b. 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

Response: There was no documentation that bank reconciliations were reviewed by a member of management or a board member.

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

Response: There were three reconciling items older than twelve months. There was no documentation reflecting that the items had been researched.

Exception: See above responses.

Management's Response: The Village will indicate the review of reconciliations by signing or initialling and dating the document and will research reconciling items that have been outstanding for more than twelve months.

Collections

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).

Response: Management provided us with a list of deposit sites and representation that the list 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:

Response: Management provided us with a list of collection locations and representation that the list is complete.

a. Employees that are responsible for cash collections do not share cash drawers/registers.

Response: Employees responsible for cash collections share cash drawers.

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.

Response: Employees responsible for cash collections are also responsible for preparing and making deposits.

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.

Response: Employees responsible for cash collections are also responsible for posting to the general ledger.

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 verifies the reconciliation.

Response: Employees responsible for reconciling cash collections to the general ledger are also responsible for collecting cash. No other employee verifies the reconciliation.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Response: Employees who have access to cash are covered by a bond or insurance policy for theft.

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). Obtain supporting documentation for each of the 10 deposits and:

a. Observe that receipts are sequentially pre-numbered.

Response: There were four of the 16 deposits reviewed that did not have sequentially pre-numbered receipts. Two of the deposits were for amounts transferred to a debt reserve fund and did not require a receipt, one deposit was for a ticket fine paid online, and one deposit was for a ticket paid at the collection site where the ticket was used as a receipt.

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

Response: Two out of 16 collections reviewed were not traced from a receipt to a deposit slip; both deposits were transfers to a debt reserve fund.

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

Response: Four out of 16 collections reviewed were not traced from deposit slip to the bank statement. Two of the four deposits were for tickets paid online, and the other two were transfers to a debt reserve fund.

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).

Response: Fifteen of the 16 deposits reviewed were made within one business day, and one deposit was made within two business days.

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

Response: All deposits reviewed were traced from the bank statement to the general ledger.

Exception: See above responses.

Management's Response: None.

Disbursements - General

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).

Response: Management provided a listing of locations that process payments and 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:

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

Response: The Village does not use a purchase order system. The Village makes purchases based on the budget that is adopted before the end of the prior year. All purchases/disbursements are supported by an invoice.

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

Response: Payments to vendors are processed by the Clerk after the Board of Aldermen approves the payment to vendors.

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.

Response: The Clerk adds vendors and processes payments; however, the Board must approve the invoices of all vendors before being paid.

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.

Response: The Clerk processes payments and the Mayor mails payments.

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:

Response: Management provided the disbursement transaction population and representation that the population is complete.

a. Observe that the disbursement matched the related original invoice/billing statement.

Response: Twenty of 25 reviewed invoices matched the related original invoice/billing statement.

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

Response: Of the disbursements reviewed, none of the invoices indicated that they were approved by the Board. The Board approves the bills in a motion at the monthly meetings, but there is no evidence of approval on individual invoices.

Exception: See above responses.

Management's Response: The Board of Aldermen will document approval of the bills by signing invoices or some other documentation that lists all the invoices to be paid.

Credit Cards

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.

Response: Management provided a listing of credit cards, bank debit cards, fuel cards, and P-cards and representation that the listing is completed.

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 that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.

Response: One card (Walmart) was tested and the statement showed no approval by someone other than the authorized card holder.

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

Response: There were no finance charges or late fees on any of the selected statements.

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).

a. For each transaction, observe that it is supported by:

i. An original itemized receipt that identifies precisely what was purchased,

Response: There was an itemized receipt for all charges.

ii. Written documentation of the business/public purpose, and

Response: There was written documentation of the business/public purpose.

iii. Documentation of the individuals participating in meals (for meal charges only).

Response: None.

Exception: See above responses.

Management's Response: The Village will have the Mayor or an Alderman review, and indicate in writing, the review of credit card statements and supporting documentation.

Travel and Expense Reimbursement

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:

Response: Management provided that there were no travel and travel-related expense reimbursements.

a. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Response: None.

b. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

Response: None.

c. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

Response: None.

d. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Response: None.

Exception: None.

Management's Response: None.

Contracts

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:

Response: Management provided representation that no new contracts products or services paid were initiated or renewed during the fiscal period.

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.

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).

c. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

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 that the invoice and related payment agreed to the terms and conditions of the contract.

Exception: None.

Management's Response: None.

Payroll and Personnel

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

Response: Management provided a listing of employees/elected officials and representation that the listing is complete.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

Response: Employees did not document daily attendance and leave.

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

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

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

Response: No employees were terminated during the audit year.

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Response: Management provided representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed by required deadlines.

Exception: See above responses.

Management's Response: Management will document daily attendance and leave of all employees.

Ethics

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.

Response: There is no documentation of any employee completing one hour of ethics training during the fiscal period.

- b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Response: The Village does not have a written ethics policy.

Exception: See above responses.

Management's Response: The Village will document annually that all employees have completed one hour of ethics training. These documents will be kept in the personnel files for all employees. The Village will develop and document an ethics policy.

Debt Service

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

Response: Management provided a listing of new debt incurred, and documentation was provided of State Bond Commission approval.

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.

Response: The Village provided supporting documentation for the reserve balance and payments. The reserve payments required by the debt covenants agreed to actual reserve balances.

Other

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.

Response: Management has provided representation that there were no misappropriations of public funds and assets during the fiscal period.

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.

Response: We observed the notice posted in the Village Hall.

We were not engaged to and did not perform an examination or review, 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.

The purpose of this report is 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.

Kenneth D. Folden & Co., CPAs

Jonesboro, Louisiana
June 30, 2021



Village of Quitman

June 30, 2021

Kenneth D. Folden & Co., CPAs
302 Eighth Street
Jonesboro, Louisiana

In connection with your engagement to apply agreed-upon procedures to certain control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures (SAUPs), for the fiscal period January 1, 2019 through December 31, 2019, we confirm to the best of our knowledge and belief, the following representations made to you during your engagement.

1. We are responsible for the C/C areas identified in the SAUPs, including written policies and procedures; board or finance committee; bank reconciliations; collections; non-payroll disbursements; credit/debit/fuel/purchasing cards; travel and travel-related expense reimbursement; contracts; payroll and personnel; ethics; debt service; and other areas as applicable.

Yes No

2. For the fiscal period January 1, 2019 through December 31, 2019, the C/C areas were administered in accordance with the best practice criteria presented in the SAUPs.

Yes No

3. We are responsible for selecting the criteria and procedures and for determining that such criteria and procedures are appropriate for our purposes.

Yes No

4. We have disclosed to you all known matters contradicting the results of the procedures performed in C/C areas.

Yes No

5. We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others affecting the C/C areas, including communications received between December 31, 2019, and June 30, 2021.

Yes No

6. We have provided you with access to all records that we believe are relevant to the C/C areas and the agreed-upon procedures.

Yes No

7. We represent that the listing of bank accounts for the fiscal period that we provided to you is complete. We also represent that we have identified and disclosed to you our main operating account.

Yes No

8. We represent that the listing of deposit sites for the fiscal period that we provided to you is complete.

Yes No

9. We represent that the listing of collection locations for the fiscal period that we provided to you is complete.

Yes No

10. We represent that the listing of locations that process payments for the fiscal period that we provided to you is complete.

Yes No

11. We represent that the non-payroll disbursement transaction population for each location that processes payments for the fiscal period that we provided to you is complete.

Yes No

12. We represent that the 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, that we provided to you is complete.

Yes No

13. We represent that the listing of all travel and travel-related expense reimbursements during the fiscal period that we provided to you is complete.

Yes No

14. We represent that the listing of all agreements/contracts (or active vendors) for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period that we provided to you is complete.

Yes No

15. We represent that the listing of employees/elected officials employed during the fiscal period that we provided to you is complete.

Yes No

16. We represent that the listing of employees/officials that received termination payments during the fiscal period that we provided to you is complete.

Yes No

17. We represent that the employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines during the fiscal period.

Yes No

18. We represent that the listing of bonds/notes issued during the fiscal period that we provided to you is complete.

Yes No

19. We represent that the listing of bonds/notes outstanding at the end of the fiscal period that we provided to you is complete.

Yes No

20. We represent that the listing of misappropriations of public funds and assets during the fiscal period that we provided to you is complete.

Yes No

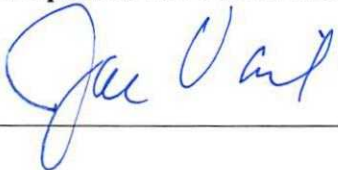
21. We have disclosed to you other data you deemed necessary to complete SAUPs.

Yes No

22. We have responded fully to all inquiries made by you during the engagement.
Yes No

23. We are not aware of any events that have occurred subsequent to June 30, 2021, that would require adjustment to or modification of the results of the agreed-upon procedures.
Yes No

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

Signature  Date June 30, 2021
Title Mayor