

VILLAGE OF DELTA

DELTA, LOUISIANA

Financial Statements

For the Year Ended June 30, 2019

with

Independent Auditor's Report

**VILLAGE OF DELTA
DELTA, LOUISIANA
FINANCIAL STATEMENTS
JUNE 30, 2019**

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Review Report	1-3
Required Supplementary Information (Part I)	
Management's Discussion and Analysis	4-8
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	11
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	12
Statement of Revenues, Expenditures, and Changes in Fund Balances	13
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	14
Statement of Net Position - Enterprise Fund	15
Statement of Revenues, Expenses, and Changes in Net Position- Enterprise Fund	16
Statement of Cash Flows - Enterprise Fund	17
Notes to the Financial Statements	18-27

-continued

**VILLAGE OF DELTA
DELTA, LOUISIANA
FINANCIAL STATEMENTS
JUNE 30, 2019**

TABLE OF CONTENTS - continued

	<u>Page No.</u>
Required Supplementary Information (Part II)	
Budget Comparison Schedules	
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	28-29
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Non-Major Funds	30
Other Supplementary Information (Part III)	
Combining Balance Sheet - Non-Major Governmental Funds	31
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds	32
Schedule of Compensation Paid to Mayor and Aldermen	33
Schedule of Compensation, Benefits, and Reimbursements Paid to Agency Head	34
Compliance Reporting and Other Schedules Required by Government Auditing Standards	
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 <i>Government Auditing Standards</i>	35-36
Schedule of Findings and Responses	37
Schedule of Prior Year Findings	38
Statewide Agreed - Upon Procedures	
Independent Auditor's Report on Applying Statewide Agreed - Upon Procedures	39-52

THE HALFORD FIRM, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Members
American Institute of
Certified Public Accountants

Mississippi Society of
Certified Public Accountants

Louisiana Society of
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor, and Members of
The Board of Aldermen
Village of Delta
Delta, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Delta, Louisiana as of and for the year ended June 30, 2019, and the related notes to the financial statements which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design

The Honorable Mayor, and Members of
The Board of Aldermen
Village of Delta
Page Two

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, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Village of Delta, as of June 30, 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 management's discussion and analysis on pages 4-8 and the budgetary comparison information on page 28 through 30 be presented to supplement the basic financial statements. Such information, although not a part of 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The supplementary

The Honorable Mayor, and Members of
The Board of Aldermen
Village of Delta
Page Three

information listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the financial statements.

The other supplementary information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Financial Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Delta's basic financial statements. The accompanying other financial information consisting of the schedule of compensation, benefits, and other payments to agency head on page 34 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with Governmental Auditing Standards, we have also issued our report dated December 4, 2018, on our consideration of the Village of Delta, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Delta, Louisiana's internal control over financial reporting and compliance.

The Halford Firm, PLLC

Vicksburg, Mississippi
December 4, 2019

REQUIRED SUPPLEMENTARY INFORMATION

PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of The Village of Delta, Louisiana's financial performance provides an overview of the Village's financial activities for the year ended June 30, 2019. Please read it in conjunction with the Village's financial statements, which begin on page 8.

FINANCIAL HIGHLIGHTS

The Village's net position increased \$50,140 as a result of this year's operations. This increase in net position is mainly the Village's investment in capital assets.

During the year, the Village had total expenses of \$350,327 in governmental funds and expenses of \$153,371 in the Water and Sewer Funds.

The Village's total revenue in governmental funds for the current year was \$341,928. This was a decrease of \$34,169 from the previous year. This decrease is mainly because of a drop in traffic fines and video poker income.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management Discussion and Analysis document introduces the Village's basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the financial activities as a whole and illustrate a longer-term view of the Village's finances. The Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-wide Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business. The government-wide financial statements provide short- and long-term information about the Village's financial status as a whole.

The Village of Delta's government-wide financial statements include a Statement of Net Position (pg. 8) and Statement of Activities (pg. 9), which are prepared using accounting principles that are similar to commercial enterprises. The purpose of the Statement of Net Position is to report all of the assets held and liabilities owed by the Village using the full accrual basis of accounting. The Village reports all of its assets when it acquires ownership over the assets and reports all of its liabilities when they are incurred.

The difference between the Village's total assets and total liabilities is reported as net position and this difference is similar to the total owner's equity presented by a commercial enterprise. Over time, increases or decreases in the Village's net position are indicators of whether financial health is improving or deteriorating.

The purpose of the Statement of Activities is to present the revenues and expenses of the Village. Again, the items presented on the Statement of Activities are measured in a manner similar to the approach used by a commercial enterprise in that revenues are recognized when earned or established criteria are satisfied, and expenses are reported when incurred by the Village. Thus, revenues are reported even though they may not be collected for several months after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the Governmental Fund Balance Sheet and Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Proprietary Funds. Proprietary funds encompass enterprise funds on the fund financial statements. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The proprietary major fund presentation is presented on an accrual basis. Information is presented separately in the enterprise fund balance sheet and statement of revenues, expenditures and changes in fund balance for the Water and Sewer Funds, which are considered to be *major funds*.

Budget Adoption. The Village of Delta adopts an annual appropriated budget for the general fund. A budgetary comparison statement is provided to demonstrate compliance with this budget.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's performance.

REPORTING ON THE VILLAGE OF DELTA AS A WHOLE

The following table reflects the condensed Statement of Net Position:

CONDENSED STATEMENT OF NET POSITION
Years Ended June 30, 2019, and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Current and other assets	\$ 261,683	\$ 317,382
Capital assets, net of accumulated depreciation	<u>1,412,925</u>	<u>1,349,141</u>
Total Assets	<u>1,674,608</u>	<u>1,666,523</u>
Liabilities		
Current and other liabilities	35,496	64,299
Long-term note payable	<u>219,663</u>	<u>232,915</u>
Total Liabilities	<u>255,159</u>	<u>297,214</u>
Net Position		
Invested in capital assets, net of related debt	1,189,133	1,103,657
Restricted	164,118	86,883
Unrestricted	<u>66,198</u>	<u>178,769</u>
Total Net Position	<u>\$ 1,419,449</u>	<u>\$ 1,369,309</u>

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Village of Delta, assets exceed liabilities at the close of the fiscal year by \$1,419,449 in 2019 and \$1,369,309 in 2018. Of these amounts \$1,189,133 or 84%, and \$1,103,657 or 81% of the total net position represents the investment of the Village in capital assets, net of related debt. Net position of \$66,198 for 2019, and \$178,769 for 2018, which are technically unrestricted, need to be viewed in light of information in the fund financial statements.

The following table reflects the condensed Statement of Activities:

CONDENSED STATEMENT OF ACTIVITIES
Years Ended June 30, 2019, and 2018

	2019	2018
Governmental Funds:		
Revenues		
Traffic fines	\$ 83,190	\$ 100,021
Taxes	124,706	124,704
Video poker	75,525	104,462
License & permits	14,200	12,690
Interest income	54	69
Intergovernmental	-	1,757
Other	44,253	32,394
Total	341,928	376,097
Expenses		
General government	137,317	145,593
Public safety	152,684	148,040
Public works	60,326	54,249
Interfund transfer	18,966	22,614
Total	369,293	370,496
Change in Net Position	(27,365)	5,601
Net Position - beginning	348,548	342,947
Net Position - ending	\$ 321,183	\$ 348,548
Business Type Activities:		
Revenues		
Charges for service	\$ 96,426	\$ 103,448
Interest income	18	13
Intergovernmental	113,058	142,817
Other	2,408	-
Interfund transfer	18,966	22,614
Total	230,876	268,892
Expenses		
Water & sewer	153,371	139,101
Change in Net Position	77,505	129,791
Net Position - beginning	1,020,761	890,970
Net Position - ending	\$ 1,098,266	\$ 1,020,761

Financial Analysis of the Government's Funds

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2019, combined governmental fund balances of \$122,127 showed a decrease of \$40,389 when compared to June 30, 2018.

Budgetary Highlights

The Village's budget is prepared according to Louisiana law.

A budgetary comparison schedule showing the Village's original and amended adopted budgets compared with actual operating results is provided in the report that follows.

Economic Factors and Next Year's Budgets

The Village considered many factors when setting the 2020 budget.

Revenues and expenditures of the Village's funds are expected to remain fairly consistent with the 2019 fiscal year.

Capital Asset and Debt Administration

Capital assets. The Village's investment in capital assets as of June 30, 2019, amounts to \$1,412,925 (net of accumulated depreciation). This investment includes land, buildings, water and sewer plants, furniture, equipment and automobiles. Depreciation expense was \$81,280.

Long-term debt. At June 30, 2019, the Village had two notes on the sewer treatment plant totaling \$223,792.

Contacting the Village's Management

This financial report is designed to provide our taxpayers with a general overview of the Village's finances and to show the Village's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Village of Delta, P. O. Box 29, Delta, Louisiana 71233.

BASIC FINANCIAL STATEMENTS

**VILLAGE OF DELTA
DELTA, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2019**

	Government	Business Type	Total
Assets			
Cash and cash equivalents	\$ 101,154	\$ 13,748	\$ 114,902
Accounts receivable	31,298	9,798	41,096
Restricted assets - cash	5,549	100,136	105,685
Capital assets - net	199,056	1,213,869	1,412,925
Total Assets	<u>337,057</u>	<u>1,337,551</u>	<u>1,674,608</u>
Liabilities			
Accounts payable	10,890	6,383	17,273
Accrued wages	1,050	-	1,050
Payroll taxes payable	3,934	-	3,934
Customer deposits	-	9,110	9,110
Note payable - current			
Bonds payable - current	-	4,129	4,129
Total Current Liabilities	<u>15,874</u>	<u>19,622</u>	<u>35,496</u>
Bonds payable - long term	-	219,663	219,663
Total Long Term Liabilities	<u>-</u>	<u>219,663</u>	<u>219,663</u>
Total Liabilities	<u>15,874</u>	<u>239,285</u>	<u>255,159</u>
Net Position			
Invested in capital assets, net of related debt	199,056	990,077	1,189,133
Restricted	66,894	97,224	164,118
Unrestricted	55,233	10,965	66,198
Total Net Position	<u>\$ 321,183</u>	<u>\$ 1,098,266</u>	<u>\$ 1,419,449</u>

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

**VILLAGE OF DELTA
DELTA, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

Function/Program	Expenses	Program Revenue			Net Revenue (Expenses)		
		Charges for Services	Operating Grants	Capital Grants	Government Activities	Business-Type Activities	Total
Governmental Activities:							
General government	\$ 137,317	\$ -	\$ -	\$ -	\$ (137,317)	\$ -	\$ (137,317)
Public safety	152,684	83,190	-	-	(69,494)	-	(69,494)
Public works	60,326	-	-	-	(60,326)	-	(60,326)
Total Government Activities	350,327	83,190	-	-	(267,137)	-	(267,137)
Business Type Activities:							
Water & sewer	153,371	96,426	-	113,058	-	56,113	56,113
Total Primary Government	\$ 503,698	\$ 179,616	-	\$ 113,058	(267,137)	56,113	(211,024)
General Revenues:							
Ad valorem taxes					25,115	-	25,115
Licenses and permits					14,200	-	14,200
Sales tax					93,896	-	93,896
Franchise tax					5,695	-	5,695
Video poker					75,525	-	75,525
Interest income					54	18	72
Transfers					(18,966)	18,966	-
Rents					13,200	-	13,200
Other revenue					31,053	2,408	33,461
Total General Revenues					239,772	21,392	261,164
Changes in Net Position					(27,365)	77,505	50,140
Net Position - Beginning					348,548	1,020,761	1,369,309
Net Position - Ending					\$ 321,183	\$ 1,098,266	\$ 1,419,449

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

**VILLAGE OF DELTA
DELTA, LOUISIANA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2019**

	General Fund	Other Governmental Funds	Total
Assets			
Cash	\$ 40,076	\$ 66,627	\$ 106,703
Receivables	30,891	407	31,298
Total Assets	<u>70,967</u>	<u>67,034</u>	<u>138,001</u>
Liabilities			
Accounts payable	10,750	140	10,890
Accrued wages	1,050	-	1,050
Payroll taxes payable	3,934	-	3,934
Total Liabilities	<u>15,734</u>	<u>140</u>	<u>15,874</u>
Fund Balance			
Assigned fund balance	-	66,894	66,894
Unassigned fund balance	55,233	-	55,233
Total Fund Balance	<u>55,233</u>	<u>66,894</u>	<u>122,127</u>
Total Liabilities and Equity	<u>\$ 70,967</u>	<u>\$ 67,034</u>	<u>\$ 138,001</u>

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

**VILLAGE OF DELTA
DELTA, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2019**

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

Fund Balances, Total Governmental Funds	\$ 122,127
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	<u>199,056</u>
Net Position of Governmental Activities	<u>\$ 321,183</u>

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

**VILLAGE OF DELTA
DELTA, LOUISIANA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019**

	General Fund	Other Governmental Funds	Total
Revenues			
Ad valorem taxes	\$ 6,875	\$ 18,240	\$ 25,115
Fines & court fees	83,190	-	83,190
Licenses & permits	14,200	-	14,200
Sales tax	93,896	-	93,896
Franchise tax	5,695	-	5,695
Beer tax	244	-	244
Video poker	75,525	-	75,525
Interest	23	31	54
Rent	13,200	-	13,200
Other	15,249	15,560	30,809
Total Revenues	<u>308,097</u>	<u>33,831</u>	<u>341,928</u>
Expenditures			
Current:			
General governmental	134,374	-	134,374
Public safety	105,184	21,355	126,539
Public works	60,064	262	60,326
Capital outlay	4,000	19,000	23,000
Debit service:			
Principal payment	-	17,729	17,729
Interest payment	-	1,383	1,383
Total Expenditures	<u>303,622</u>	<u>59,729</u>	<u>363,351</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>4,475</u>	<u>(25,898)</u>	<u>(21,423)</u>
Other Financing Sources (Uses)			
Transfers in	-	12,750	12,750
Transfers out	<u>(31,716)</u>	<u>-</u>	<u>(31,716)</u>
Total Other Financing Sources (Uses)	<u>(31,716)</u>	<u>12,750</u>	<u>(18,966)</u>
Net Change in Fund Balance	(27,241)	(13,148)	(40,389)
Fund Balance - Beginning	<u>82,474</u>	<u>80,042</u>	<u>162,516</u>
Fund Balance - Ending	<u>\$ 55,233</u>	<u>\$ 66,894</u>	<u>\$ 122,127</u>

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

**VILLAGE OF DELTA
DELTA, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

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

Net Change in Fund Balances, Total Governmental Funds	\$ (40,389)
---	-------------

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Principal payments	17,729
--------------------	--------

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

	<u>(4,705)</u>
--	----------------

Change in Net Position of Governmental Activities	<u>\$ (27,365)</u>
---	--------------------

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

**VILLAGE OF DELTA
DELTA, LOUISIANA
STATEMENT OF NET POSITION – ENTERPRISE FUND
JUNE 30, 2019**

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Assets			
Current Assets:			
Cash and cash equivalents	\$ -	\$ 13,748	\$ 13,748
Accounts receivable	6,078	3,720	9,798
Total Current Assets	<u>6,078</u>	<u>17,468</u>	<u>23,546</u>
Non-current Assets:			
Restricted cash and cash equivalents	2,912	97,224	100,136
Capital assets:			
Depreciable:			
Property, plant, and equipment	236,100	1,637,778	1,873,878
Accumulated depreciation	(39,699)	(623,310)	(663,009)
Land	3,000	-	3,000
Total Non-current Assets	<u>202,313</u>	<u>1,111,692</u>	<u>1,314,005</u>
Total Assets	<u>208,391</u>	<u>1,129,160</u>	<u>1,337,551</u>
Liabilities and Net Assets			
Current Liabilities:			
Accounts payable	5,557	826	6,383
Bonds payable - Current	-	4,129	4,129
Total Current Liabilities	<u>5,557</u>	<u>4,955</u>	<u>10,512</u>
Liabilities payable from restricted assets:			
Customer deposits	9,110	-	9,110
Long-Term Debt:			
Bonds payable - Long term	-	219,663	219,663
Total Liabilities	<u>14,667</u>	<u>224,618</u>	<u>239,285</u>
Net Position (Deficit)			
Invested in capital assets, net of related debt	199,401	790,676	990,077
Restricted	-	97,224	97,224
Unrestricted	<u>(5,677)</u>	<u>16,642</u>	<u>10,965</u>
Total Net Position	<u>\$ 193,724</u>	<u>\$ 904,542</u>	<u>\$ 1,098,266</u>

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

**VILLAGE OF DELTA
DELTA, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION – ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Operating Revenues:			
Water and sewer revenue	\$ 53,010	\$ 43,416	\$ 96,426
Other operating revenue	2,408	-	2,408
Total Operating Revenue	<u>55,418</u>	<u>43,416</u>	<u>98,834</u>
Operating Expenses:			
Water purchases	57,376	-	57,376
Repairs and maintenance	3,454	16,381	19,835
Utilities	2,971	6,097	9,068
Office	662	784	1,446
Bad debt	992	539	1,531
Training-travel	843	213	1,056
Depreciation	19,849	33,726	53,575
Total Operating Expenses	<u>86,147</u>	<u>57,740</u>	<u>143,887</u>
Net Operating Profit (Loss)	<u>(30,729)</u>	<u>(14,324)</u>	<u>(45,053)</u>
Non-operating Revenues (Expenses)			
Transfers in	9,958	9,008	18,966
Intergovernmental	25,000	88,058	113,058
Interest income	-	18	18
Interest expense	-	(9,484)	(9,484)
Total Non-operating Revenue	<u>34,958</u>	<u>87,600</u>	<u>122,558</u>
Net Income (Loss)	4,229	73,276	77,505
Net Position - Beginning	<u>189,495</u>	<u>831,266</u>	<u>1,020,761</u>
Net Position - Ending	<u>\$ 193,724</u>	<u>\$ 904,542</u>	<u>\$ 1,098,266</u>

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

**VILLAGE OF DELTA
DELTA, LOUISIANA
STATEMENT OF CASH FLOWS – ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2019**

Cash Flows From Operating Activities	
Cash received from customers	\$ 102,336
Cash payments for water purchases	(60,333)
Cash payments for other operating expenses	(35,040)
Net cash provided by operating activities	<u>6,963</u>
 Cash Flows From Capital And Financing Activities	
Decrease in customer deposits	(350)
Acquisition of capital assets	(127,771)
Capital grants	113,058
Loan payments	(3,963)
Transfers in	18,966
Interest expense	(9,484)
Net cash provided by capital and financing activities	<u>(9,544)</u>
 Cash Flows From Investing Activities	
Interest income	<u>18</u>
 Net Increase in Cash and Cash Equivalent.	(2,563)
 Cash and Cash Equivalents - Beginning	<u>116,447</u>
 Cash and Cash Equivalents - Ending	<u>\$ 113,884</u>
 Supplemental Disclosures	
Cash paid for interest	<u>\$ 9,484</u>
 Reconciliation of Net Profit from Operation to Net Cash Provided By Operation:	
Net Operating - Profit (Loss)	\$ (45,053)
 Depreciation expense	53,575
Decrease in accounts receivable	5,033
Decrease in accounts payable	(6,592)
 Net Cash Provided By Operations	<u>\$ 6,963</u>

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

NOTES TO THE FINANCIAL STATEMENTS

**VILLAGE OF DELTA
DELTA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

INTRODUCTION

The Village of Delta, Louisiana (the Village) was created under the provisions of the Lawrason Act, Louisiana Revised Statute 33:321 on August 28, 1973, and operates under a Mayor-Board of Aldermen form of government.

The Mayor and three Alderpersons are elected at large every four years by the citizens of the Village, and are compensated for their services.

The purpose of the municipality is to promote the general welfare, safety, health, peace, good order, comfort, convenience, and morals of its inhabitants.

The Village is situated in the northwest part of Madison Parish with a population of 263. Within its boundaries are approximately 5 miles of roads maintained by the Village. It is currently servicing 126 water and sewer customers and employs 5 people.

GASB Statement No. 14, *The 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 special purpose 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. The Village does not have oversight of any other component units. Therefore, no other government unit is included in the Village's financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly

-continued

**VILLAGE OF DELTA
DELTA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019 - continued**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Government-Wide and Fund Financial Statements (continued)

identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

-continued

**VILLAGE OF DELTA
DELTA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019 - continued**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

The Village reports the following major governmental funds:

The General Fund is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Village also has three funds that are considered non-major:

Fire Department Fund - A fee is added to each water bill monthly to be used for the maintenance and operation cost of the Village's fire department.

Street Fund - This is used to maintain the Village's streets.

Drug Fund – This fund recovers funds from each drug arrest within the Village and the proceeds are used in helping maintain the Village's police force.

All proprietary funds are accounted for on an economic resources measurement focus. Proprietary funds are maintained on the accrual basis of accounting wherein revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized in the period incurred, if measurable. Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

C. Cash and Cash Equivalents

Cash includes amounts in demand deposits. Under state law, the Village may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. Certificates of deposits are classified as investments if their maturities exceed 90 days. However, if the original maturities are 90 days or less, they are classified as cash equivalents.

D. Investments

Investments are limited by Louisiana Revised Statute 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair value with the corresponding increase or decrease reported in investment earnings.

-continued

**VILLAGE OF DELTA
DELTA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019 - continued**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Capital Assets

Under GASB Statement No. 34, capital assets, which include buildings, other improvements, machinery and equipment, vehicles, and furniture and fixtures, are reported and depreciated in the applicable government or business-type activities column of the government-wide financial statements. No long-term capital assets or depreciation are shown in the governmental fund statements.

As permitted by GASB Statement No. 34, the Village has elected not to capitalize infrastructure assets retroactively such as streets, sidewalks, drainage, and street lighting.

All purchased capital assets are recorded at cost. Donated capital assets are valued at fair market value at date of gift. Major additions are capitalized while maintenance and repairs that do not improve or extend the life of the respective assets are charged to expense. Interest is capitalized on funds used during construction of projects acquired with bonds.

Capital assets are depreciated over the estimated useful lives of the assets using the straight-line method. Estimated useful lives are as follows (in years):

Buildings	26 to 40 years
Water System	30 to 40 years
Sewerage System	40 years
Office Equipment	5 to 10 years
Equipment	5 to 20 years
Vehicles	5 years

E. Fund Equity

Beginning with fiscal year 2011, the Village implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance - amounts that are not in spendable form (such as inventory) or are required to be maintained intact.

Restricted Fund Balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provision, or by enabling legislation.

-continued

**VILLAGE OF DELTA
DELTA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019- continued**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Fund Equity (continued)

Committed Fund Balance - amounts constrained to specific purposes by the Village itself, using its highest level of decision-making authority (i.e., Mayor/Board of Aldermen). To be reported as committed, amounts cannot be used for any other purpose unless the Village takes the same highest level action to remove or change the constraint.

Assigned Fund Balance - amounts the Village intends to use for a specific purpose. Intent is expressed by the Mayor/Board of Aldermen.

Unassigned Fund Balance - amounts that are available for any purpose.

G. Restricted Net Position

For the government-wide Statement of Net Position, net position is reported as restricted when constraints placed on assets use are either:

- Externally imposed by creditors (such as debt covenants), grants, contributors, laws, or regulations of other governments, or
- Imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

H. Budgets and Budgetary Accounting

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

1. Prior to the beginning of each fiscal year, the Mayor submits a proposed budget to the Board of Aldermen for their approval.
2. A public hearing is conducted to obtain taxpayer comments.
3. The Board of Aldermen approves the budget prior to the beginning of the fiscal year.
4. Budget amendments during the fiscal year require approval by the Board of Aldermen.
5. All budgetary appropriations lapse at the end of the fiscal year.

-continued

**VILLAGE OF DELTA
DELTA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019 - continued**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Property Taxes

Ad valorem taxes were levied for the General Fund at 7.90 mils for 2019. No ad valorem taxes were levied for the Street Fund for 2019. Ad valorem taxes, which attach as enforceable liens on property as of January 1, are levied in October, become due on receipt and until December 31, and become delinquent on January 1 of the following year. The taxes are generally collected in December of the current year and January and February of the following year.

I. Compensated Absences

Employees of the Village do not accrue or "carry forward" vacation or sick pay from year to year. As such, there are no accruals made in either the Enterprise Funds, or the General Long-Term Debt account group for these payments.

J. Estimates

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

K. Retirement Plan

The Village does not participate in any retirement fund; therefore, all employees are covered by the social security administration.

NOTE 2 - CASH AND CASH EQUIVALENTS

At June 30, 2019, the Village had cash and cash equivalents totaling \$220,587 as follows:

Demand deposits	\$ 207,196
Interest bearing demand deposits	<u>13,391</u>
Total	<u><u>\$ 220,587</u></u>

-continued

**VILLAGE OF DELTA
DELTA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019 – continued**

These deposits are stated at cost, which approximates market. Under state law, these deposits 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 the deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually accepted to both parties.

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the district attorney that the fiscal agent has failed to pay deposited funds upon demand.

As of June 30, 2019, the book balance of the Village's bank accounts was \$220,587, and the bank balance was \$224,215. Of the bank balance, \$224,215 was covered by federal depository insurance and \$ -0- by pledged securities.

NOTE 3 - RECEIVABLES

Receivables at June 30, 2019, consist of the following:

	<u>Governmental</u>	<u>Enterprise</u>	<u>Totals</u>
Receivables:			
Taxes	\$ 25,580	\$ -	\$ 25,580
Accounts	5,718	9,798	15,516
Total receivables	<u>\$ 31,298</u>	<u>\$ 9,798</u>	<u>\$ 41,096</u>

-continued

**VILLAGE OF DELTA
DELTA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019 – continued**

NOTE 4 – CHANGES IN CAPITAL ASSETS

The changes in capital assets are as follows:

	Balance 6/30/2018	Additions	Deductions	Balance 6/30/2019
Governmental Activities:				
Land	\$ 3,310	\$ -	\$ -	\$ 3,310
Fire Station and steel building	416,679	-	-	416,679
Fire Station equipment	76,818	-	-	76,818
Tractors and equipment	30,503	19,000	-	49,503
Police equipment	130,774	-	-	130,774
Office equipment	7,267	-	-	7,267
Monument and playground	6,654	4,000	-	10,654
Total Capital Assets	<u>672,005</u>	<u>23,000</u>	<u>-</u>	<u>695,005</u>
Less: Accumulated depreciation	<u>(468,244)</u>	<u>(27,705)</u>	<u>-</u>	<u>(495,949)</u>
Net Capital Assets-governmental activities	<u>203,761</u>	<u>(4,705)</u>	<u>-</u>	<u>199,056</u>
Business-Type Activities:				
Land	3,000	-	-	3,000
Work in progress	5,707	25,000	5,707	25,000
Water tanks	191,237	-	-	191,237
Water treatment motor	19,863	-	-	19,863
Sewer treatment plant	1,019,044	102,771	-	1,121,815
Sewer tie-in	515,963	-	-	515,963
Total Capital Assets	<u>1,754,814</u>	<u>127,771</u>	<u>5,707</u>	<u>1,876,878</u>
Less Accumulated depreciation	<u>(609,434)</u>	<u>(53,575)</u>	<u>-</u>	<u>(663,009)</u>
Net Capital Assets-business-type activities	<u>\$1,145,380</u>	<u>\$74,196</u>	<u>\$ 5,707</u>	<u>\$1,213,869</u>

-continued

**VILLAGE OF DELTA
DELTA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019- continued**

NOTE 5 – NOTES PAYABLE

The Village completed a new sewer treatment plant in 2008. The plant was financed by two bond issues and grants.

Bond R - 1 - Principal amount of \$205,000 dated April 2, 2008, with interest at 4 1/8% per annum, payable in monthly payments of \$883.55 for forty years, balance at June 30, 2019: \$ 176,452

Bond R - 2 - Principal amount of \$55,000 dated April 2, 2008, with interest at 4 1/8% per annum, payable in monthly payments of \$237.05 for forty years, balance at June 30, 2019: 47,340

Total 223,792

Current portion 4,129

Long - Term \$ 219,663

<u>Maturity Schedule</u>	<u>Required Payment</u>	<u>Principal</u>	<u>Interest</u>	<u>Mortgage</u>
June 30, 2020	13,447	4,129	9,318	219,663
June 30, 2021	13,447	4,303	9,144	215,360
June 30, 2022	13,447	4,483	8,964	210,877
June 30, 2023	13,447	4,673	8,774	206,204
June 30, 2024	13,447	4,869	8,578	201,335
June 30, 2025 / 2029	67,236	27,591	39,645	173,744
June 30, 2030 / 2034	67,236	33,899	33,337	139,845
June 30, 2035 / 2039	67,236	41,650	25,586	98,195
June 30, 2040 / 2044	67,236	51,172	16,064	47,023
Thereafter	<u>51,548</u>	<u>47,023</u>	<u>4,525</u>	<u>-</u>
Total	<u>\$ 387,727</u>	<u>\$ 223,792</u>	<u>\$ 163,935</u>	<u>\$ -</u>

-continued

**VILLAGE OF DELTA
DELTA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019- continued**

NOTE 6 – CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

NOTE 7 – SUBSEQUENT EVENTS

Subsequent events were evaluated through December 4, 2019, the day the financial statements were available to be issued. No events came to our attention that would require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

**VILLAGE OF DELTA
DELTA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGED IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019**

	Original	Amended	Actual	Variance Favorable (Unfavorable)
Revenues				
Sales tax	\$ 66,550	\$ 85,400	\$ 93,896	\$ 8,496
Traffic fines	95,000	66,500	83,053	16,553
Occupational licenses / permits	20,500	15,000	14,200	(800)
Interest	32	23	23	-
Ad valorem tax	6,620	6,875	6,875	-
Beer tax	196	175	243	68
Video poker	74,700	70,000	75,525	5,525
Vending machines	14,500	10,900	11,343	443
Franchise tax	4,900	4,900	5,695	795
Rent	13,480	13,450	13,200	(250)
Other	3,935	10,350	10,698	348
Total Revenue	<u>300,413</u>	<u>283,573</u>	<u>314,751</u>	<u>31,178</u>
Expenditures				
Office salary	42,000	42,000	39,266	2,734
Police salary	63,000	65,000	65,000	-
Mayor salary	12,200	12,600	12,600	-
City council salary	3,060	3,060	2,975	85
Water professional	8,100	7,425	8,316	(891)
Utility/Maintenance salary	28,000	31,200	31,200	-
Advertising	1,775	1,050	938	112
Vending machines	8,000	7,200	6,654	546
LACLE	3,689	2,750	2,857	(107)
NLCL	11,000	9,050	10,840	(1,790)
DHH - THISCITF	1,445	1,000	1,155	(155)
LA Supreme Court	145	145	149	(4)
Election expense	62	-	-	-
Dues and subscriptions	1,000	1,400	1,378	22
Insurance	31,200	34,000	33,643	357
CMIS	390	270	302	(32)
Legal and accounting	10,000	10,500	10,900	(400)
Office expense	10,375	6,479	7,015	(536)
Repairs and maintenance	2,750	21,702	21,002	700
Travel	3,625	1,850	1,598	252
Police car maintenance	5,750	4,000	3,279	721
Police car gas	8,500	10,000	11,009	(1,009)
Police supplies	3,900	2,500	1,852	648
Police training	200	1,300	1,297	3
Police cell phone	2,250	1,710	1,650	60
Miscellaneous	115	115	-	115
Payroll taxes	13,000	13,000	12,415	585
Tax assessor	270	271	271	-
Telephone	1,980	1,860	1,871	(11)
Utilities	7,900	7,900	7,986	(86)
Mowing and maintenance	15,600	1,500	1,063	437
Mosquito control	800	5,800	5,795	5
Capital outlay	-	4,000	4,000	-
Total Expenditures	<u>302,081</u>	<u>312,637</u>	<u>310,276</u>	<u>2,361</u>

-continued

**VILLAGE OF DELTA
DELTA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGED IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019 – continued**

	<u>Original</u>	<u>Amended</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(1,668)</u>	<u>(29,064)</u>	<u>4,475</u>	<u>33,539</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	<u>(28,310)</u>	<u>(29,959)</u>	<u>(31,716)</u>	<u>(1,757)</u>
Total Other Financing Sources (Uses)	<u>(28,310)</u>	<u>(29,959)</u>	<u>(31,716)</u>	<u>(1,757)</u>
Net Change in Fund Balance	(29,978)	(59,023)	(27,241)	31,782
Fund Balance - Beginning	<u>82,474</u>	<u>82,474</u>	<u>82,474</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 52,496</u>	<u>\$ 23,451</u>	<u>\$ 55,233</u>	<u>\$ 31,782</u>

**VILLAGE OF DELTA
DELTA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - NON MAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	Original	Amended	Actual	Variance Favorable (Unfavorable)
Revenues				
Ad Valorem	\$ 19,620	\$ 18,475	\$ 18,240	\$ (235)
Interest	35	32	31	(1)
Fines	1,291	6,860	6,860	-
Grant	1,757	-	-	-
Other	-	2,710	4,445	1,735
Monthly fees	4,450	4,350	4,255	(95)
Total Revenues	<u>27,153</u>	<u>32,427</u>	<u>33,831</u>	<u>1,404</u>
Expenditures				
Supplies	5,750	11,100	10,919	181
Bank charges	255	345	341	4
K-9 expense	225	225	-	225
Equipment rent	300	-	-	-
Training/travel	320	2,300	2,427	(127)
Capital outlay	13,650	19,000	19,000	-
Debt service	-	19,112	19,112	-
Utilities	750	750	558	192
Insurance	2,020	2,284	2,284	-
Inspection fees	425	810	810	-
Telephone	110	850	852	(2)
Repairs and maintenance	4,726	3,000	2,788	212
Office	585	150	638	(488)
Total Expenditures	<u>29,116</u>	<u>59,926</u>	<u>59,729</u>	<u>197</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,963)</u>	<u>(27,499)</u>	<u>(25,898)</u>	<u>1,601</u>
Other Sources				
Transfers In	4,810	11,500	12,750	1,250
Total Other Sources	<u>4,810</u>	<u>11,500</u>	<u>12,750</u>	<u>1,250</u>
Net Change in Fund Balance	2,847	(15,999)	(13,148)	2,851
Fund Balance - Beginning	<u>80,042</u>	<u>80,042</u>	<u>80,042</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 82,889</u>	<u>\$ 64,043</u>	<u>\$ 66,894</u>	<u>\$ 2,851</u>

OTHER SUPPLEMENTARY INFORMATION

PART III

**VILLAGE OF DELTA
DELTA, LOUISIANA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	Drug Fund	Street Account	Volunteer Fire Department	Total
Assets:				
Cash	\$ 5,792	\$ 33,876	\$ 26,959	\$ 66,627
Accounts Receivables	-	-	407	407
Total Assets	5,792	33,876	27,366	67,034
Liabilities and Fund Balance				
Liabilities:				
Accounts Payable	-	-	140	140
Fund Balance:				
Assigned Fund Balance	5,792	33,876	27,226	66,894
Total Liabilities and Fund Balance	\$ 5,792	\$ 33,876	\$ 27,366	\$ 67,034

**VILLAGE OF DELTA
DELTA, LOUISIANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019**

	Drug Fund	Street Account	Volunteer Fire Department	Total
Revenues				
Ad Valorem taxes	\$ -	\$ -	\$ 18,240	\$ 18,240
Other	6,860	-	8,700	15,560
Interest earned	-	16	15	31
Total Revenues	<u>6,860</u>	<u>16</u>	<u>26,955</u>	<u>33,831</u>
Expenditures				
Current:				
Public safety	3,832	-	17,523	21,355
Public works	-	262	-	262
Capital outlay	-	19,000	-	19,000
Debit service:				
Principal payment	-	-	17,729	17,729
Interest expense	-	-	1,383	1,383
Total Expenditures	<u>3,832</u>	<u>19,262</u>	<u>36,635</u>	<u>59,729</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>3,028</u>	<u>(19,246)</u>	<u>(9,680)</u>	<u>(25,898)</u>
Other Financing Sources				
Transfers in	-	12,750	-	12,750
Total Other Financing Sources	<u>-</u>	<u>12,750</u>	<u>-</u>	<u>12,750</u>
Net Change in Fund Balance	3,028	(6,496)	(9,680)	(13,148)
Fund Balance - Beginning	<u>2,764</u>	<u>40,372</u>	<u>36,906</u>	<u>80,042</u>
Fund Balance - Ending	<u>\$ 5,792</u>	<u>\$ 33,876</u>	<u>\$ 27,226</u>	<u>\$ 66,894</u>

**VILLAGE OF DELTA
DELTA, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO MAYOR AND ALDERMEN
FOR THE YEAR ENDED JUNE 30, 2019**

At the end of the current year, Mayor Marvin Ashley's salary was \$1,050 per month with a total of \$12,600 for the year.

Aldermen

Billy Peebles	\$ 1,020
Kathy Davis	1,020
Donald Frith	85
Pam Stokes	<u>850</u>
Total	<u><u>\$ 2,975</u></u>

**VILLAGE OF DELTA
DELTA, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS, AND
REIMBURSEMENTS PAID TO AGENCY HEAD
JUNE 30, 2019**

Marvin Ashley – Mayor

Salary & expense amount	\$ 13,564
Reimbursements	<u>334</u>
Total	<u>\$ 13,898</u>

COMPLIANCE REPORTING AND OTHER SCHEDULES REQUIRED BY
GOVERNMENT AUDITING STANDARDS

THE HALFORD FIRM, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Members
American Institute of
Certified Public Accountants

Mississippi Society of
Certified Public Accountants

Louisiana Society of
Certified Public Accountants

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*

Honorable Mayor and Members
Of the Board of Aldermen
Village of Delta, Louisiana

We have audited the financial statements of the Village of Delta as of and for the year ended June 30, 2019, and have issued our report thereon dated December 4, 2019. 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, we considered Village of Delta's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control over financial reporting.

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.

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 over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We did identify one deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 19-01 that we consider to be significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Delta'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 no instances of noncompliance and other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Village of Delta, management, other within the organization, and appliance State Auditors and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statue 24:513, this report is distributed by the Legislative Auditor as a public document.

The Halford Firm, PLLC

Vicksburg, Mississippi
December 4, 2019

**VILLAGE OF DELTA, LOUISIANA
DELTA, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2019**

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the annual financial statements of the Village of Delta, Louisiana.
2. No instance of noncompliance material to the financial statements was disclosed during the audit of the financial statements.
3. One significant deficiency relating to the audit of the financial statements is reported in the Independent Auditor's Report on Internal Control.

FINDINGS - FINANCIAL STATEMENTS AUDIT

19-01- Segregation of Duties

Finding:

During our audit we noted that the size of the Village of Delta and the limited number of employees does not permit an adequate segregation of employee duties for effective internal control. Based upon the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

Recommendation:

To the extent that it is practical to do so, management should segregate employee duties and perform supervisory reviews.

Management's Response:

Based on the size of the office staff, it is not feasible to add additional personnel to achieve complete segregation of duties.

**VILLAGE OF DELTA, LOUISIANA
DELTA, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019**

The following is a summary of the status of the prior year findings included in the auditor's report dated November 5, 2018, covering the examination of the financial statements of the Village of Delta as of and for the year ended June 30, 2018.

18-01 – Segregation of Duties

Findings:

During our audit we noted that the size of the Village of Delta and the limited number of employees does not permit an adequate segregation of employee duties for effective internal control. Based upon the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

Status:

This finding was not resolved and is repeat finding in the current year.

18-02 – Local Budget Act

Finding:

The Louisiana Local Government Budget Act requires budgets be amended if expected actual revenues are five percent less than budgeted revenues, or expected actual expenditures are five percent greater than budgeted expenditures. The Village of Delta had actual expenditures which exceeded budgeted expenditures greater than five percent in the Non-major Governmental Funds. The agency is in violation of Louisiana Revised Statute LSA-RS 39:1309-1310.0

Status:

This finding was resolved.

**STATEWIDE
AGREED-UPON PROCEDURES**

THE HALFORD FIRM, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Members
American Institute of
Certified Public Accountants

Mississippi Society of
Certified Public Accountants

Louisiana Society of
Certified Public Accountants

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Management of The Village of Delta
and the Louisiana Legislative Auditor,

We have performed the procedures enumerated below, which were agreed to by the Village of Delta and the Louisiana Legislative Auditor (LLA), solely to assist the users in evaluating management's assertions about the Village of Delta's compliance with certain laws and regulations during the fiscal year ended June 30, 2018, included in the Louisiana Legislative Auditor – Statewide Agreed-Upon Procedures (SAUPs). The Village of Delta's management is responsible for those control and compliance (C/C) areas identified in the SAUPs.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Governmental Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of the 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 and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations).
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
 - 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.

-continued

Written Policies and Procedures - continued

- c) ***Disbursements***, including processing, reviewing, and approving

- d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- 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 of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)

- 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 42:1111-11121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirements that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

- j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

-continued

Written Policies and Procedures – continued

- 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.

In examining written procedures, we noted the following exception. The Village does not have written policies and procedures for budgeting, contracting, debt service, or disaster recovery.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and

- 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.

The board met with a quorum at least monthly.

- 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 fund.

The board reviews their financial statements including budget-to-actual monthly.

- 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.

N/A

Written Policies and Procedures - continued

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:

- 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.)

Bank reconciliations have been prepared but there is no documentation of the date reconciled.

- 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

No evidence that bank reconciliation was reviewed management was present.

- 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.

N/A

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).

The Village only has one deposit site.

Written Policies and Procedures - continued

Collections – continued

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:

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

Village stated clerk and assistant share "drawer" to accept collections. Due to size, Village stated it was not cost effective to hire enough employees to segregate responsibilities, including those related to cash depositing, recording, and reconciling.

- 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.

Employee responsible for collecting cash is responsible for preparation of the deposit slips, but not making the deposit.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

Employees responsible for collecting cash, have no responsibility for recording 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.

The employee responsible for reconciling cash collection to the general ledger is responsible for collecting cash.

-continued

Written Policies and Procedures - continued

Collections – continued

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

The Village stated that the clerk and assistant are covered by a bond.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

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

Receipts are sequentially pre-numbered

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

No exception noted.

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

No exception noted.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100)

Deposits are made once a week (Thursday)

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

No exception noted.

Written Policies and Procedures - continued

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

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).

One location – Village of Delta office (200 First St. Delta, La 71233)

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 jobs 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.

At least two employees are involved in the above listed procedures.

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

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

Employee responsible for processing payments is not prohibited from adding/modifying vendor files.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

The mayor signs the checks but another employee mails them. Sometimes this is the employee responsible for processing payments.

Written Policies and Procedures - continued

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

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

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

No exception noted.

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

Due to size, the Village stated that it was not cost effective to hire enough employees to segregate responsibility including those related to disbursements. No exceptions to the duties outlined in #9 above were noted.

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

Obtained listing that included one credit card and three fuel cards.

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:

Written Policies and Procedures – continued

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

- 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. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]

Supporting documentation was obtained for all tested items, no exception noted.

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

No finance charges and/or late fees were assessed on the statement tested.

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, observe that is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

The Village had supporting documentation with business purposes for all tested transactions.

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

14. Obtain from managements a listing of all travel and travel-related expense reimbursements during 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:

- 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)

N/A

Written Policies and Procedures – continued

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

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

No exception noted.

- 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).

No exception noted.

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

No exception noted.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, lease, 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:

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

No exception noted.

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

No exception noted.

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

No exception noted.

-continued

Written Policies and Procedures – continued

Contracts - continued

- 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.

No exception noted.

Payroll and Personnel

- 16. Obtain a listing employees/elected official 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.

Obtained listing and representation. All tested wages agreed with rates in personnel files.

- 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). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected officials are earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

All test attendance and leave time were documented.

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

Observed that supervisors approved the attendance and leave of the selected employees/officials. Attendance was approved by mayor or clerk.

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

No exception noted.

-continued

Written Policies and Procedures – continued

Payroll and Personnel-continued

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.

No termination payment was made in the current 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.

Payroll reports and payments thereon were reviewed in the audit procedures – no exception noted. The Village does not provide health insurance or retirement benefits. Worker's compensation premiums were paid.

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.

Certificated supporting ethics training were observed for all employees and elected officials.

- 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.

No written ethics policy requiring this was noted.

Written Policies and Procedures – continued

Debt Service

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

Obtained management's representation that no new debt issued in current year.

22. Obtain a listing of bond/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.

Actual reserve balance and payments agree with reserve balance and payments by debt covenants.

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.

Obtained management's representation that no misappropriations of public funds or assets occurred in the fiscal year ending June 30, 2019.

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.

Observed fraud hotline notice posted on premises.

We were not engaged to and did not conduct 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 an 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 Louisiana Legislative Auditor as a public document.

The Halford Firm, PLLC

Vicksburg, Mississippi
December 4, 2019