

VILLAGE OF EPPS, LOUISIANA

*Financial Statements
For the Year Ended December 31, 2021*



VILLAGE OF EPPS, LOUISIANA
FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2021

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VILLAGE OF EPPS, LOUISIANA
FINANCIAL STATEMENTS
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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Mayor and Board of Aldermen
Village of Epps
Epps, Louisiana

I have reviewed the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Epps, Louisiana (the Village), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA, and the standards applicable to review engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

I am required to be independent of the Village of Epps and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my review.

Accountant's Conclusion

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



To the Mayor and Board of Aldermen
Village of Epps
Epps, Louisiana

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 8 and page 26, be presented to supplement the basic financial statements. Such information, although not a required 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. The information is the responsibility of management. I have reviewed the information and, based on my review, I am not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. I have not audited the information and, accordingly, do not express an opinion on such information.

Other Information

The accompanying schedules of compensation, reimbursements, benefits, and other payments to agency head and compensation paid to elected officials on Pages 28 and 29, respectively, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. I have reviewed the information and, based on my review, I am not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. I have not audited the supplementary information and, accordingly, do not express an opinion on such information.

The accompanying justice system funding schedule on Page 30 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. I have reviewed the information and, based on my review, I am not aware of any material modifications that should be made to the information in order for it to be in accordance with the reporting framework prescribed by Louisiana Revised Statute 24:515.2 and the Louisiana Legislative Auditor. I have not audited the supplementary information and, accordingly, do not express an opinion on such information.

Maxwell CPA, LLC
Monroe, Louisiana
June 30, 2022

**REQUIRED SUPPLEMENTAL INFORMATION (PART A)
MANAGEMENT'S DISCUSSION AND ANALYSIS**

VILLAGE OF EPPS, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2021

As management of the Village of Epps, we offer readers of the Village of Epps' financial statements this narrative overview and analysis of the financial activities of the Village of Epps for the year ended December 31, 2021. It is designed to assist the reader in focusing on significant financial issues, identify changes in the Village's financial position, and identify material deviations and individual fund issues or concerns.

As with other sections of the financial report, the information contained within the MD&A should be considered only a part of the greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and the other Required Supplementary Information ("RSI") that is provided in addition to this Management Discussion and Analysis.

FINANCIAL HIGHLIGHTS

- The assets of the Village exceeded its liabilities at the close of the fiscal year by \$1,481,817 (net position). Of this amount, \$194,151 (unrestricted net position) represents the portion of net position that is not invested in capital assets or otherwise restricted.
- The government's total net position increased by \$33,862.
- As of the close of the current fiscal year, the Village's governmental activities reported combined ending net position of \$663,637 a decrease of \$19,136 in comparison with the prior year. Of this total amount, \$28,740 is available for spending at the government's discretion (unrestricted net position).

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Village of Epps' basic financial statements. The Village of Epps' basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. 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 of Epps' finances, in a manner similar to a private-sector business. The statement of net position presents information on all of the Village of Epps' assets and liabilities, with the difference between the two reported as net position may serve as a useful indicator of whether the financial position of the Village of Epps is improving or deteriorating.

The statement of activities presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expense are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the Village of Epps that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of the costs through user fees and charges (business-type activities). The governmental activities of the Village of Epps include general government, public safety, sanitation, and public works. The business-type activities of the Village of Epps include water and sewer.

Village of Epps, Louisiana

Management Discussion and Analysis (continued)

The government-wide financial statements can be found on pages 9 and 10 of this report.

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 of Epps like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the Village of Epps can be divided into two categories: governmental funds and proprietary funds.

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 Village's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village of Epps maintains one governmental fund which is the General Fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund. The General Fund is considered to be a major fund.

The Village of Epps adopts an annual appropriated budget for its general fund and special revenue funds. A budgetary comparison statement has been provided for those funds to demonstrate compliance with this budget.

PROPRIETARY FUNDS

The Village of Epps maintains one proprietary fund. Enterprise funds are used to report the same functions presented as a business-type activities in the government-wide financial statements. Proprietary funds provide the same type of information the government-wide financial statements, only in more detail.

NOTES TO 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 of Epps' compliance with budgets for its major funds.

Village of Epps, Louisiana
Management Discussion and Analysis (continued)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the Village of Epps, assets exceeded liabilities by \$1,481,817, at the close of the most recent fiscal year.

By far the largest amount of the Village of Epps’ net assets (\$1,268,396) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Village of Epps uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village of Epps investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>12/31/21</u>	<u>12/31/20</u>	<u>12/31/21</u>	<u>12/31/20</u>	<u>12/31/21</u>	<u>12/31/20</u>
Current & other assets	\$ 34,195	\$ 20,954	\$ 210,348	\$ 90,582	\$ 244,543	\$ 111,536
Capital assets	<u>634,897</u>	<u>668,061</u>	<u>713,897</u>	<u>790,407</u>	<u>1,348,794</u>	<u>1,458,468</u>
Total assets	<u>\$ 669,092</u>	<u>\$ 689,015</u>	<u>\$ 924,245</u>	<u>\$ 880,989</u>	<u>\$ 1,593,337</u>	<u>\$ 1,570,004</u>
Current & other liabilities	\$ 5,455	\$ 6,242	\$ 37,007	\$ 35,262	\$ 42,462	\$ 41,504
Long-Term liabilities	<u>-</u>	<u>-</u>	<u>69,058</u>	<u>80,545</u>	<u>69,058</u>	<u>80,545</u>
Total liabilities	<u>\$ 5,455</u>	<u>\$ 6,242</u>	<u>\$ 106,065</u>	<u>\$ 115,807</u>	<u>\$ 111,520</u>	<u>\$ 122,049</u>
Net Position:						
Invested in Capital Assets						
net of related debt	\$ 634,897	\$ 668,061	\$ 633,499	\$ 695,349	\$ 1,268,396	\$ 1,363,410
Restricted	-	-	19,270	15,626	19,270	15,626
Unrestricted	<u>28,740</u>	<u>14,712</u>	<u>165,411</u>	<u>54,207</u>	<u>194,151</u>	<u>68,919</u>
Total net position	<u>\$ 663,637</u>	<u>\$ 682,773</u>	<u>\$ 818,180</u>	<u>\$ 765,182</u>	<u>\$ 1,481,817</u>	<u>\$ 1,447,955</u>

The balance of \$28,740 in unrestricted net position in the governmental activities represents the accumulated results of all past year’s operations. Net position increased by \$33,862 overall from the prior year. The changes in net position are discussed later in this MD&A.

GOVERNMENTAL ACTIVITIES

Governmental activities decreased the Village of Epps’ net position by \$19,136. Key elements of the changes in net position are as follows:

Village of Epps, Louisiana
Management Discussion and Analysis (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>12/31/21</u>	<u>12/31/20</u>	<u>12/31/21</u>	<u>12/31/20</u>	<u>12/31/21</u>	<u>12/31/20</u>
Revenues						
Program Revenues						
Charges for Services	\$ 44,658	\$ 48,465	\$ 172,757	\$ 197,706	\$ 217,415	\$ 246,171
Grants and Contributions	2,810	19,797	128,817	16,635	131,627	36,432
General Revenues						
Property Taxes	16,181	17,027	-	-	16,181	17,027
Franchise Taxes	8,005	7,306	-	-	8,005	7,306
Sales Taxes	21,754	21,913	-	-	21,754	21,913
Other Revenues	<u>14,093</u>	<u>1,510</u>	<u>14</u>	<u>14</u>	<u>14,107</u>	<u>1,524</u>
Total Revenues	<u>107,501</u>	<u>116,018</u>	<u>301,588</u>	<u>214,355</u>	<u>409,089</u>	<u>330,373</u>
Expenses						
General Government	39,335	43,043	-	-	39,335	43,043
Public Works	22,671	23,821	-	-	22,671	23,821
Public Safety & Protection	64,631	60,948	-	-	64,631	60,948
Water and Sewer	<u>-</u>	<u>-</u>	<u>248,590</u>	<u>214,158</u>	<u>248,590</u>	<u>214,158</u>
Total Expenses	<u>126,637</u>	<u>127,812</u>	<u>248,590</u>	<u>214,158</u>	<u>375,227</u>	<u>341,970</u>
Increase (Decrease) in Net Position						
Before Transfers	(19,136)	(11,794)	52,998	197	33,862	(11,597)
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Net Position	<u>\$ (19,136)</u>	<u>\$ (11,794)</u>	<u>\$ 52,998</u>	<u>\$ 197</u>	<u>\$ 33,862</u>	<u>\$ (11,597)</u>

Expenses are classified by functions/programs. Public Safety and Protection accounts for approximately \$65,000 while general government and public works accounts for approximately \$62,000 for the fiscal year 2021. The related program revenues for the fiscal year 2021 directly related to these expenses totaled approximately \$47,500 which resulted in net program expenses of approximately \$79,000. The remaining balance of expenses represents the cost to the taxpayers. The costs of governmental activities exceeding restricted state and federal grants are paid primarily from the following sources:

- Franchise, ad valorem tax and sales tax revenues are the largest and most significant source of revenue for the Village of Epps. It provides approximately \$46,000 of general fund revenues.
- Licenses and Permits are the second largest revenue source to the Village, generating approximately \$23,000 of general fund revenues.

Village of Epps, Louisiana

Management Discussion and Analysis (continued)

BUSINESS-TYPE ACTIVITIES

Business-type activities increased the Village of Epps' net position by approximately \$53,000. The increase was primarily attributable to an increase in grants.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Village of Epps uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the Village of Epps' governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village of Epps' 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 the end of the current fiscal year, the Village of Epps' governmental funds reported combined ending fund balance of \$28,740 an increase of \$14,028 in comparison with the prior year. All of this total amount \$28,740 constitutes unassigned fund balance, which is available for spending at the Village's discretion.

GENERAL FUND BUDGETARY HIGHLIGHTS

In accordance with Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA-R.S 39:1301 et seq), the Village of Epps must adopt a budget for the General Fund and all Special Revenue funds prior to December 31.

The General Fund actual revenues had an unfavorable variance of \$2,906 compared to budgeted revenues. Actual expenditures were less than budgeted by \$1,620 mainly because of cuts made to expenditures during the year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The Village of Epps' investment in capital assets for its governmental and business type activities as of December 31, 2021, amounts to \$1,348,794 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, and street improvements.

Improvements to the sewer system were the only capital expenditures in the current fiscal year.

Village of Epps Capital Assets

	<u>12/31/2021</u>	<u>12/31/2020</u>
Land	\$ 158,000	\$ 158,000
Buildings and Improvements	461,998	461,998
Vehicles and Equipment	298,480	298,480
Infrastructure	473,961	473,961
Water and Sewer System	2,934,294	2,919,279
Total	<u>4,326,733</u>	<u>4,311,718</u>
Less Accumulated Depreciation	<u>(2,977,939)</u>	<u>(2,853,250)</u>
Total Capital Assets	\$ 1,348,794	\$ 1,458,468

Village of Epps Outstanding Debt

Revenue Bonds	\$ 80,398	\$ 95,058
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Village of Epps, Louisiana

Management Discussion and Analysis (continued)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Factors considered in preparing the Village of Epps' budget for the 2022 fiscal year included the impact that the property tax reassessments that were completed with increased property values for the Village and determining the amount of revenue that will be generated from that tax. With current economic conditions, property tax revenue is projected to remain flat for the next fiscal year. All other revenues should remain fairly constant.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village of Epps' finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Village Clerk, 120 Maple Street, Epps, Louisiana 71237.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

VILLAGE OF EPPS, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2021

<u>ASSETS</u>	PRIMARY GOVERNMENT		
	Governmental	Business-Type	Total
	Activities	Activities	
Cash and Cash Equivalents	\$ 29,644	\$ 146,288	\$ 175,932
Receivables, net of allowance	4,551	25,837	30,388
Restricted Cash	-	38,223	38,223
Capital Assets (net)	634,897	713,897	1,348,794
<u>TOTAL ASSETS</u>	\$ 669,092	\$ 924,245	\$ 1,593,337
<u>LIABILITIES</u>			
Accounts Payable	\$ 3,102	\$ 3,409	\$ 6,511
Accrued Expenses	2,353	-	2,353
Customer Deposits	-	21,914	21,914
Accrued Interest Payable	-	344	344
Bonds Payable, current portion	-	11,340	11,340
Total Current Liabilities	5,455	37,007	42,462
Bonds Payable, long-term portion	-	69,058	69,058
<u>TOTAL LIABILITIES</u>	5,455	106,065	111,520
<u>NET POSITION</u>			
Net Investment in Capital Assets	634,897	633,499	1,268,396
Restricted for			
Debt Service	-	19,270	19,270
Unrestricted (deficit)	28,740	165,411	194,151
<u>TOTAL NET POSITION</u>	\$ 663,637	\$ 818,180	\$ 1,481,817

See independent accountant's review report and notes to financial statements.

VILLAGE OF EPPS, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses) Revenue</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		<u>Capital Grants and Contributions</u>
<u>Functions/Programs</u>					
<u>Governmental Activities</u>					
General Government	\$ 39,335	\$ 31,690	\$ 2,810	\$ -	\$ (4,835)
Public Safety	64,631	12,968	-	-	(51,663)
Public Works	22,671	-	-	-	(22,671)
Total Governmental Activities	126,637	44,658	2,810	-	(79,169)
<u>Business-Type Activities:</u>					
Water and Sewer	248,590	172,757	-	128,817	52,984
<u>Total Primary Government</u>	<u>\$ 375,227</u>	<u>\$ 217,415</u>	<u>\$ 2,810</u>	<u>\$ 128,817</u>	<u>\$ (26,185)</u>

General Revenues:

Property Taxes

Franchise Taxes

Sales Taxes

Interest Income

Other Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Net Position - Ending

Net (Expense) Revenue and Changes
in Net Position of Primary Government

Governmental Activities	Business-Type Activities	Total
\$ (4,835)	\$ -	\$ (4,835)
(51,663)	-	(51,663)
<u>(22,671)</u>	<u>-</u>	<u>(22,671)</u>
(79,169)	-	(79,169)
<u>-</u>	<u>52,984</u>	<u>52,984</u>
(79,169)	52,984	(26,185)
16,181	-	16,181
8,005	-	8,005
21,754	-	21,754
-	14	14
14,093	-	14,093
<u>-</u>	<u>-</u>	<u>-</u>
<u>60,033</u>	<u>14</u>	<u>60,047</u>
(19,136)	52,998	33,862
<u>682,773</u>	<u>765,182</u>	<u>1,447,955</u>
<u>\$ 663,637</u>	<u>\$ 818,180</u>	<u>\$ 1,481,817</u>

See independent accountant's review report and notes to financial statements.

FUND FINANCIAL STATEMENTS

VILLAGE OF EPPS, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	<u>General Fund</u>
<u>ASSETS</u>	
Cash and Cash Equivalents	\$ 29,644
Receivables	
Ad Valorem Taxes - Net	2,934
Sales Taxes	<u>1,617</u>
<u>TOTAL ASSETS</u>	<u><u>\$ 34,195</u></u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 3,102
Accrued Expenses	<u>2,353</u>
Total Liabilities	5,455
<u>FUND BALANCES</u>	
Unassigned	<u>28,740</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u><u>\$ 34,195</u></u>

VILLAGE OF EPPS, LOUISIANA
RECONCILIATION OF GOVERNMENTAL
FUND BALANCES TO STATEMENT OF NET POSITION
DECEMBER 31, 2021

Total Governmental Fund Balances	\$ 28,740
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*Amounts reported for governmental activities
in the statement of net position are different
because:*

Capital assets used in governmental activities
are not financial resources and therefore are not
reported in the funds, net of depreciation.

<u>634,897</u>

Net Position of Governmental Activities

<u><u>\$ 663,637</u></u>

See independent accountant's review report and notes to financial statements.

VILLAGE OF EPPS, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>General Fund</u>
<u>Revenues</u>	
Taxes:	
Franchise Tax	\$ 8,005
Ad Valorem Tax	16,181
Sales Tax	21,754
Licenses and Permits	22,865
Intergovernmental Revenues	2,810
Rent	8,825
Fines and Tickets	12,968
Other Revenues	14,093
Total Revenues	<u>107,501</u>
<u>Expenditures</u>	
General Government	36,514
Public Safety and Protection	56,959
Capital Outlay	-
Total Expenditures	<u>93,473</u>
<u>Excess (Deficiency) of Revenues</u>	
<u>Over Expenditures</u>	14,028
<u>Other Financing Sources and (Uses)</u>	
Transfers In (Out)	<u>-</u>
<u>Net Change in Fund Balance</u>	14,028
<u>Fund Balances - Beginning</u>	<u>14,712</u>
<u>FUND BALANCES - ENDING</u>	<u>\$ 28,740</u>

VILLAGE OF EPPS, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

Net Change in Fund Balances - Total Governmental Funds		\$ 14,028
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*Amounts reported for governmental activities
in the statement of activities are different
because:*

Governmental funds report capital outlays as
expenditures while governmental activities report
depreciation expense to allocate those expenditures
over the life of the assets:

Capital asset purchases capitalized	-	
Depreciation expense	(33,164)	<u>(33,164)</u>

Change in Net Position of Governmental Activities		<u>\$ (19,136)</u>
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See independent accountant's review report and notes to financial statements.

VILLAGE OF EPPS, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2021

	<u>Water and Sewer Fund</u>
<u>ASSETS</u>	
<u>Current Assets</u>	
Cash and Cash Equivalents	\$ 146,288
Receivables, net of allowance	10,822
Grants Receivable	15,015
Total Current Assets	<u>172,125</u>
<u>Restricted Assets</u>	
Cash and Cash Equivalents	38,223
<u>Non-Current Assets</u>	
Capital Assets (net of accumulated depreciation)	<u>713,897</u>
<u>TOTAL ASSETS</u>	<u><u>\$ 924,245</u></u>
<u>LIABILITIES</u>	
<u>Current Liabilities</u>	
Accounts, Salaries, and Other Payables	\$ 3,409
Customer Deposits Refundable	21,914
Accrued Interest Payable	344
Current Portion of Notes Payable - USDA	11,340
Total Current Liabilities	<u>37,007</u>
<u>Long Term Liabilities</u>	
Notes Payable - USDA	<u>69,058</u>
<u>TOTAL LIABILITIES</u>	106,065
<u>NET POSITION</u>	
Net Investment in Capital Assets Restricted	633,499
Debt Service	9,639
Depreciation and Contingency	9,631
Unrestricted (Deficit)	<u>165,411</u>
<u>TOTAL NET POSITION</u>	<u><u>\$ 818,180</u></u>

See independent accountant's review report and notes to financial statements.

VILLAGE OF EPPS, LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Water and Sewer Enterprise Fund</u>
<u>Operating Revenues</u>	
Charges for Services:	
Water and Sewer	\$ 172,757
<u>Operating Expenses</u>	
Operations	123,912
Maintenance and Repairs	27,976
Depreciation	91,525
Total Operating Expenses	243,413
<u>Operating Income (Loss)</u>	(70,656)
<u>Non-Operating Income (Expense)</u>	
Interest Income	14
Interest Expense	(5,177)
Intergovernmental Revenue	128,817
Total Non-Operating Income (Expense)	123,654
<u>Income Before Transfers</u>	52,998
<u>Capital Contributions and Transfers</u>	
Transfers In/Out	-
<u>Change in Net Position</u>	52,998
<u>Net Position - Beginning</u>	765,182
<u>NET POSITION - ENDING</u>	\$ 818,180

See independent accountant's review report and notes to financial statements.

VILLAGE OF EPPS, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Water and Sewer Enterprise Fund</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 176,799
Payments to Suppliers	(139,422)
Payments to Employees for Services and Benefits	(12,284)
Net Cash Provided by Operating Activities	<u>25,093</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Decrease in Interfund Receivables	255
Increase in Customer Deposits	4,800
Net Cash Flows from Noncapital Financing Activities	<u>5,055</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Acquisition of Capital Assets	(15,015)
Capital Grant	113,801
Principal Paid on Debt	(14,660)
Interest Paid on Debt	(5,240)
Net Cash Flows from Capital and Related Financing Activities	<u>78,886</u>
<u>Cash Flows from Investing Activities</u>	
Interest Received	<u>14</u>
<u>Net Increase in Cash and Cash Equivalents</u>	109,048
<u>Cash and Cash Equivalents, Beginning of the Year</u>	<u>75,463</u>
<u>CASH AND CASH EQUIVALENTS AT END OF YEAR</u>	<u><u>\$ 184,511</u></u>
<u>Shown on the Accompanying Statement of Net Position as:</u>	
Cash	\$ 146,288
Restricted Assets - Cash	38,223
Total Cash	<u><u>\$ 184,511</u></u>
<u>Reconciliation of Operating Loss to Net Cash Provided by Operating Activities</u>	
Operating Loss	\$ (70,656)
Adjustments to Reconcile Net Loss to Net Cash Provided by	
Operating Activities	
Depreciation Expense	91,525
Decrease in Accounts Receivable	4,042
Increase in Accounts Payable	182
Total Adjustments	<u>95,749</u>
Net Cash Provided by Operating Activities	<u><u>\$ 25,093</u></u>

See independent accountant's review report and notes to financial statements.

VILLAGE OF EPPS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Introduction

The Village of Epps, Louisiana was incorporated under the provisions of the Lawrason Act in 1939. The Village operates under a Board of Alderman-Mayor form of government and provides the following services as authorized by its charter: public safety, highways and streets, sanitation, public improvements and general administrative services. The Village employs 5 people excluding the mayor and the five aldermen.

GASB Statement No. 14, *The Reporting Entity*, and No. 39, *Determining Whether Certain Organizations Are Components Units—an amendment of GASB Statement No 14* 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 and 39, 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 of Epps has no component units as of December 31, 2021.

Note 1 – Summary of Significant Accounting Policies

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the activities of the primary government. For the most part, 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 segments are offset by program revenues. Direct expenses are those that are clearly 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 or 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.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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, as are the proprietary fund financial statements. 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 revenue as soon as all eligibility requirements imposed by the provider have been met.

VILLAGE OF EPPS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Note 1 – Summary of Significant Accounting Policies (continued)

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

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 expenditures related to compensated absences and 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 the government receives cash.

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 reports the following major proprietary fund:

The Water and Sewer Fund provides water and sewer services to the citizens inside the Village's boundaries. It accounts for all revenues and expenses associated with providing water and sewer service.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations.

Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

VILLAGE OF EPPS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Note 1 – Summary of Significant Accounting Policies (continued)

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principle operating revenues derived from the proprietary funds include water and sewer fees along with new installation fees. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

C. Deposits and Investments

The Village's cash and cash equivalents are considered to be cash on hand and demand deposits. State law allows the Village to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

D. Receivables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectibles. The Village uses the allowance method for uncollectible water fees and writes off accounts when it deems them to be totally uncollectible.

E. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated

VILLAGE OF EPPS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Note 1 – Summary of Significant Accounting Policies (continued)

E. Capital Assets (continued)

assets are recorded as capital assets at their estimated fair market value at the date of donation. Approximately 90 percent of the Village’s capital assets have been capitalized at cost and the remaining 10 percent have been capitalized at estimated cost based on the historical cost of similar assets. The Village maintains a threshold level of \$1,000 or more capitalizing capital assets.

As permitted by GASB 34, the Village has elected not to report infrastructure assets retroactively.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The Village had no interest to capitalize under construction.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	25-40 Years
Furniture and fixtures	5-10 Years
Vehicles	5-20 Years
Equipment	7-15 Years
Sewer System	20-40 Years
Water System	20-40 Years

F. Compensated Absences

Permanent, full-time employees receive from five to fifteen days of vacation leave depending on length of service on the employees’ anniversary date of employment. Employees may not accumulate or carry over annual leave from one anniversary date of employment to another. Sick leave is earned at the rate of one day for each month worked, however, no employee may accumulate more than ten days of sick leave per year, nor accumulate more than a total of thirty days of sick leave. Employees who resign, retire, or who are dismissed from employment will not be paid for accumulated sick leave.

G. Long-Term Obligations

In the government-wide financial statements, and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

VILLAGE OF EPPS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Note 1 – Summary of Significant Accounting Policies (continued)

H. Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. Property taxes that are received before the period for which the taxes are levied are reported as deferred inflows of resources.

I. Net Position/Fund Balance

GASB Statement No. 54 establishes standards for five fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in government funds. The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form- prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted Fund Balance—This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance—These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the village aldermen – the government’s highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the village aldermen remove the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Fund Balance—This classification reflects the amounts constrained by the Village’s “intent” to be used for specific purposes but are neither restricted nor committed. The village aldermen and management have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as non-spendable and are neither restricted nor committed.

Unassigned Fund Balance—This fund balance is the residual classification for the general fund. It is also used to report negative fund balances in other governmental funds.

The General Fund has an unassigned fund balance of \$28,740. If applicable, the Village would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

VILLAGE OF EPPS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Note 1 – Summary of Significant Accounting Policies (continued)

J. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 – Stewardship, Compliance, and Accountability

Budget Information. The Village uses the following budget practices:

A proposed budget for the General Fund, prepared on the modified accrual basis of accounting is normally presented to the board of aldermen in December each year. The budget is legally adopted by the board of aldermen and amended during the year as necessary. Budgets are established and controlled by the board at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. There budget was amended one time during the year ended December 31, 2021.

The budget comparison statements included in the accompanying financial statements reflect the original proposed budget. Accounting principles applied for purposes of developing data on a budgetary basis and those used to present financial statements in conformity with generally accepted accounting principles are the same and no adjustment is necessary to convert the actual GAAP data to the budgetary basis.

Note 3 – Cash and Cash Equivalents

At December 31, 2021, the Village has cash and cash equivalents (book balances) totaling \$214,155 as follows:

	General Fund	Water and Sewer Fund	Totals
Demand Deposits	\$ 29,502	\$ 184,511	\$ 214,013
Cash on Hand	142	-	142
	\$ 29,644	\$ 184,511	\$ 214,155

Custodial Credit Risk – Deposits. The custodial credit risk is the risk that in the event of a bank failure, the Village’s deposits may not be returned to it. The Village’s policy to ensure there is not exposure to this risk is to require the financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage. Accordingly, the Village had no custodial credit risk related to its deposits at December 31, 2021.

VILLAGE OF EPPS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Note 3 – Cash and Cash Equivalents (continued)

These deposits are stated at cost, which approximates market value. 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. 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.

At December 31, 2021, the Village has \$214,790 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance.

Note 4 – Receivables

The receivables of \$15,373 at December 31, 2021 are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Water and Sewer Fund</u>	<u>Totals</u>
Property Taxes	\$ 2,934	\$ -	\$ 2,934
Sales Taxes	1,617	-	1,617
Charges for Services		10,822	10,822
Grants	-	15,015	15,015
	<u>\$ 4,551</u>	<u>\$ 25,837</u>	<u>\$ 30,388</u>

The proprietary funds have an allowance account of \$1,908 and used the direct write-off method when an account is deemed uncollectible.

Note 5 – Capital Assets

Capital Assets and depreciation activity as of and for the year ended December 31, 2021 for the primary government is as follows:

	<u>Balance 12/31/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2021</u>
Government Activities:				
Non-Depreciable Assets:				
Land	\$ 129,000	\$ -	\$ -	\$ 129,000
Depreciable Assets:				
Buildings & Improvements	450,763	-	-	450,763
Vehicles & Equipment	244,411	-	-	244,411
Street Improvements	<u>473,961</u>	<u>-</u>	<u>-</u>	<u>473,961</u>
Total Capital Assets Being Depreciated	1,169,135	-	-	1,169,135
Less Accumulated Depreciation	<u>630,074</u>	<u>33,164</u>	<u>-</u>	<u>663,238</u>
Total Capital Assets Being Depreciated, net	539,061	33,164	-	505,897
Total Governmental Activities Capital Assets, net	<u>\$ 668,061</u>	<u>\$ 33,164</u>	<u>\$ -</u>	<u>\$ 634,897</u>

VILLAGE OF EPPS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Note 5 – Capital Assets (continued)

	Balance <u>12/31/2020</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>12/31/2021</u>
Business-Type Activities:				
Non-Depreciable Assets:				
Land	\$ 29,000	\$ -	\$ -	\$ 29,000
Depreciable Assets:				
Water & Sewer Systems and Improvements	2,919,279	15,015	-	2,934,294
Building	11,235	-	-	11,235
Equipment	<u>54,069</u>	<u>-</u>	<u>-</u>	<u>54,069</u>
Total Capital Assets Being Depreciated	2,984,583	15,015	-	2,999,598
Less Accumulated Depreciation	<u>2,223,176</u>	<u>91,525</u>	<u>-</u>	<u>2,314,701</u>
Total Capital Assets Being Depreciated, net	761,407	(76,510)	-	684,897
Total Business-Type Activities Capital Assets, net	<u>\$ 790,407</u>	<u>\$ (76,510)</u>	<u>\$ -</u>	<u>\$ 713,897</u>

Depreciation expense of \$33,164 was charged to the general government functions and \$91,525 was charged to the water and sewer business-type activities function for the year ended December 31, 2021.

Note 6 – Interfund Receivables/Payables

Short-term cash loans between funds are considered temporary in nature. These amounts are reported as “due from/to other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Note 7 – Long-Term Obligations

The following is a summary of the long-term obligation transactions for the year ended December 31, 2021:

	Revenue Bonds <u>Payable</u>
Balance December 31, 2020	\$ 95,058
Additions	-
Reductions	<u>(14,660)</u>
Balance December 31, 2021	\$ 80,398

Interest expense of \$5,177 was charged to the water and sewer business-type activities function for the year ended December 31, 2021.

The following is a summary of the current (due in one year or less) and long-term (due in more than one year) portions of long-term obligations as of December 31, 2021:

VILLAGE OF EPPS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Note 7 – Long-Term Obligations (continued)

	Revenue Bonds
	<u>Payable</u>
Current	\$ 11,340
Long-Term	<u>69,058</u>
Total	\$ 80,398

Revenue bonds payable in the amount of \$80,398 matures in 2027 and has an interest rate of 6.0%.

The individual bonds are as follows:

	<u>\$237,000</u>
	Bonds
Original Issue Date	4/5/1988
Interest Rate	6.00%
Final Payment Due	4/5/2029
Interest to Maturity	\$ 15,697
Principal Outstanding	\$ 80,398

Funding Source	Water Revenue
----------------	------------------

The loans are due as follows:

Year Ending December 31,	<u>Principal</u>
	Payments
2022	\$ 11,340
2023	12,039
2024	12,782
2025	13,570
2026	14,407
2027	<u>16,260</u>
Total	<u>\$ 80,398</u>

Note 8 – Bond Covenant Requirements

The bond covenants with the United States Department of Agriculture, Farmers Home Administration for the 1988 Water Revenue Bonds discussed in Note 7 above, require the Village to establish the following reserve accounts:

VILLAGE OF EPPS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Note 8 – Bond Covenant Requirements (continued)

- A. A “Reserve Fund”. The Village must transfer \$82 into this fund each month until \$19,558 has been accumulated therein. Such amounts may be used only for the payment of maturing bonds and interest for which would otherwise be in default.
- B. A “Contingency Fund”. The Village must transfer \$97 into this fund each month. The deposits in this fund may be used for depreciation, extensions, additions, improvements, and replacements to the system. Money in this fund may also be used to pay principal and interest on bonds falling due at any time there is not sufficient funds in the other reserve funds.
- C. A “Sinking Fund”. The Village must transfer into this fund, each month, one-twelfth of the principal and interest due on the next principal and interest payment date. This fund is used to pay bond principal and interest as they become due.

Note 9 – Retirement System

The Village is not covered by any pension system.

Note 10 – Risk Management and Contingent Liabilities

The Village purchases commercial insurance to reduce the risk of loss resulting from property damage or liability claims. There have been no significant reductions in insurance coverage from coverage in the prior year. Settlements have not exceeded insurance coverage in any of the past three fiscal years.

Note 11 – Subsequent Events

Subsequent events have been evaluated through June 30, 2022, the date that the financial statements were available to be issued. All subsequent events determined to be relevant and material to the financial statements have been appropriately recorded or disclosed.

**REQUIRED SUPPLEMENTAL INFORMATION (PART B)
BUDGETARY COMPARISON SCHEDULE**

VILLAGE OF EPPS, LOUISIANA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		With Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
Franchise Tax	\$ 15,000	\$ 11,000	\$ 8,005	\$ (2,995)
Ad Valorem Tax	15,000	17,014	16,181	(833)
Sales Tax	20,000	21,584	21,754	170
Licenses and Permits	13,600	24,694	22,865	(1,829)
Intergovernmental Revenues:	32,130	13,649	2,810	(10,839)
Fines and Tickets	15,000	11,233	12,968	1,735
Rent	9,000	7,575	8,825	1,250
Other Revenues	1,100	3,658	14,093	10,435
Total Revenues	120,830	110,407	107,501	(2,906)
<u>Expenditures</u>				
General Government	124,800	95,093	36,514	58,579
Public Safety and Protection	-	-	56,959	(56,959)
Capital Outlay	-	-	-	-
Total Expenditures	124,800	95,093	93,473	1,620
<u>Excess (Deficiency) of Revenues Over Expenditures</u>				
	(3,970)	15,314	14,028	(1,286)
<u>Other Financing Sources and (Uses)</u>				
Transfers In	1,000	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources and Uses	1,000	-	-	-
<u>Net Change in Fund Balance</u>	(2,970)	15,314	14,028	(1,286)
<u>Fund Balance at Beginning of Year</u>	8,541	8,541	14,712	6,171
<u>Fund Balance at End of Year</u>	\$ 5,571	\$ 23,855	\$ 28,740	\$ 4,885

The accompanying notes are an integral part of this financial statement.

VILLAGE OF EPPS, LOUISIANA
NOTES TO THE BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2021

Budget Information. The Village uses the following budget practices:

A proposed budget for the General Fund, prepared on the modified accrual basis of accounting, is normally presented to the board of aldermen in December each year. The budget is legally adopted by the board of aldermen and amended during the year as necessary. Budgets are established and controlled by the board at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. The budget was amended once during the year ended December 31, 2021.

The budget comparison statements included in the accompanying financial statements reflect the original proposed budget. Accounting principles applied for purposes of developing data on a budgetary basis and those used to present financial statements in conformity with generally accepted accounting principles are the same and no adjustment is necessary to convert the actual GAAP data to the budgetary basis.

OTHER SUPPLEMENTAL INFORMATION

VILLAGE OF EPPS, LOUISIANA
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS
AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDING DECEMBER 31, 2021

Agency Head

Brittney Clark, Mayor

The Mayor did not receive any compensation, reimbursements, or other payments for the year ending December 31, 2021.

VILLAGE OF EPPS, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO ELECTED OFFICIALS
FOR THE YEAR ENDING DECEMBER 31, 2021

Rosa Fair, Alderwoman	\$ 1,500
Raymond Hale, Alderman	250
Roosevelt Porter, Chief of Police	<u>24,000</u>
	\$ 25,750

Justice System Funding Schedule - Collecting/Disbursing Entity

As Required by Act 87 of the 2020 Regular Legislative Session

Identifying Information		
Entity Name	Village of Epps, Louisiana	
LLA Entity ID # (This is the ID number assigned to the entity by the Legislative Auditor for identification purposes and will be filled out by your auditor.)	2370	
Date that reporting period ended (mm/dd/yyyy)	12/31/2021	
	First Six Month Period Ended 06/30/21	Second Six Month Period Ended 12/31/21
Cash Basis Presentation		
Beginning Balance of Amounts Collected (i.e. cash on hand)	-	-
Add: Collections (Please enter zeros if no activity within a certain collection type)		
Civil Fees (including refundable amounts such as garnishments or advance deposits)	-	-
Bond Fees	-	-
Asset Forfeiture/Sale	-	-
Pre-Trial Diversion Program Fees	-	-
Criminal Court Costs/Fees	-	-
Criminal Fines - Contempt	-	-
Criminal Fines - Other	5,944	8,304
Restitution	-	-
Probation/Parole/Supervision Fees	-	-
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	-	-
Interest Earnings on Collected Balances	-	-
Other (do not include collections that fit into more specific categories above)	-	-
Subtotal Collections	5,944	8,304
Less: Disbursements To Governments & Nonprofits: (Must include one agency name and one collection type on each line and may require multiple lines for the same agency if more than one collection type is applicable. Additional rows may be added as necessary.)		
<i>La. Commission on Law Enforcement Court Cost Fees</i>	114	504
<i>CMIS Trial Court Case Management Info System Court Cost Fees</i>	12	53
<i>Louisiana Traumatic Head and Spinal Cord Injury Trust Act 654</i>	40	215
<i>North La. Crime Lab Court Cost Fees</i>	10	50
<i>La. Judicial College Court Cost Fees</i>	6	27
<i>Agency name/collection type</i>	-	-
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection (enter zero if no activity to report here)	-	-
Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount (enter zero if no activity to report here)	-	-
Criminal Fines - Other	5,762	7,455
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies (Please enter zeros if no activity within a certain line item)		
Civil Fee Refunds	-	-
Bond Fee Refunds	-	-
Restitution Payments to Individuals (additional detail is not required)	-	-
Other Disbursements to Individuals (additional detail is not required)	-	-
Payments to 3rd Party Collection/Processing Agencies	-	-
Subtotal Disbursements/Retainage	5,944	8,304
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	-	-
Ending Balance of "Partial Payments" Collected but not Disbursed (only applies if collecting agency does not disburse partial payments until fully collected) - This balance is included in the Ending Balance of Amounts Collected but not Disbursed/Retained above.	-	-
Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected (i.e. receivable balance)	-	-
Total Waivers During the Fiscal Period (i.e. non-cash reduction of receivable balances, such as time served or community service)	-	-

VILLAGE OF EPPS, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2021

2021-01 Inadequate Segregation of Accounting Duties

Criteria

Proper internal controls require that accounting duties be performed by separate individuals so that one individual could not perpetrate and conceal errors or irregularities without them being detected by another individual who was performing his or her assigned duties.

Condition

The Village has too few personnel involved in the accounting system to have adequate separation of duties for internal control.

Cause

The small size and limited revenues of the Village.

Effect

Lack of segregation of accounting duties increases the risk that errors or irregularities would not be detected or corrected in a timely manner.

Recommendation

The Village should use the contracted accounting firm to help minimize the risk of errors and irregularities that occur from inadequate segregation of duties.

Response

The Village feels that the cost of hiring more staff far exceeds its benefits.

2021-02 Timekeeping Procedures

Criteria

The Village should have some form of documentation and adequate supervision of time worked to ensure that employees are working the scheduled hours upon which their pay is based.

Condition

The Village does not require timesheets on all employees.

Cause

The Board of Alderman approved the pay of certain employees and did not require subsequent supporting documentation. They assumed a salaried employee did not need to have timesheets or another form of supporting documentation to support the pay since it was approved by the Board.

Effect

The Village could be in violation of state law.

Recommendation

The Village should require that all employees fill out a timesheet and get it approved by the Mayor before paychecks are issued.

Response

The Village now requires timesheets beginning in September 2021. Timesheets have to be approved before payroll can be submitted.

VILLAGE OF EPPS, LOUISIANA
STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2021

2020-01 Inadequate Segregation of Accounting Duties

Condition Found

The Village has too few personnel involved in the accounting system to have adequate separation of duties for internal control.

Effect

Lack of segregation of accounting duties increases the risk that errors or irregularities would not be detected or corrected in a timely manner.

Recommendation to Prevent Future Occurrences

The Village should use the contracted accounting firm to help minimize the risk of errors and irregularities that occur from inadequate segregation of duties.

Current Status

The finding was repeated as finding 2021-01.

2020-02 Timekeeping Procedures

Condition Found

The Village does not require timesheets on all employees.

Effect

The Village could be in violation of state law.

Recommendation to Prevent Future Occurrences

The Village should require that all employees fill out a timesheet and get it approved by the Mayor before paychecks are issued.

Current Status

The finding was repeated as finding 2021-02.



INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Mayor and Board of Aldermen
Village of Epps
Epps, Louisiana

I have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Village of Epps (the Village) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village's compliance with certain laws and regulations during the year ended December 31, 2021, included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, I 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:

Public Bid Law

1. Obtain documentation for all expenditures made during the year for material and supplies exceeding \$30,000, and public works exceeding \$250,000. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1755 (the state procurement code) or R.S.38:2211-2296 (the public bid law), whichever is applicable; and report whether the expenditures were made in accordance with these laws.

The Village has no expenditures for materials and supplies exceeding \$30,000 and no expenditures exceeding \$250,000 for public works.

Code of Ethics for Public Officials and Public Employees

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

Management provided me with the requested information.

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

Management provided me with the requested information.



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

None of the employees included on the list of employees provided by management in agreed-upon procedure #3 appeared on the list provided by management in agreed-upon procedure #2 as immediate family members.

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

Management provided the requested information. None of the businesses of board members, employees, and board members' and employees' immediate families appeared as vendors on the list of disbursements.

Budgeting

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

Management provided me with a copy of the legally adopted budget and the amended budget.

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

The budget adoption and approval of amendments were traced to the minute book without exception.

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

I compared the revenues and expenditures of the final budget to actual revenues and expenditures. Revenues did not fail to meet budgeted revenues by 5% or more and expenditures for the year did not exceed budgeted amounts by more than 5%.

Accounting and Reporting

9. Obtain the list of all disbursements made during the year. Randomly select six disbursements and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and:

- a. Report whether the six disbursements agree to the amount and payee in the supporting documentation.

I examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- b. Report whether the six disbursements were coded to the correct fund and general ledger account.

All of the six disbursements were properly coded in the general ledger.

- c. Report whether the six disbursements were approved in accordance with management's policies and procedures.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from proper authorities. Each of the disbursements were traced to the supporting documentation.

Meetings

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

The Village is only required to post a notice of each meeting and the accompanying agenda on the door of Town Hall. Although management has asserted that such documents were properly posted, no evidence was provided to support management's assertion.

Debt

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

I scanned copies of all bank deposit slips for the fiscal year and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

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

I scanned payroll disbursements and read the council meeting minutes of the Village for the year. I found no payments or approval for payments to employees that would constitute bonuses, advances, or gifts.

State Audit Law

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

The Village's report was submitted by the due date.

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

N/A

Prior-Year Comments

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

My prior year report, dated September 24, 2021 did not include any suggestion, exceptions, recommendations, or comments.

I was engaged by the Village to perform this agreed-upon procedures engagement and conducted my engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in Government Auditing Standards, issued by the United States Comptroller General. I was not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Village's compliance with the foregoing matters. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

I am required to be independent of the Village and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my agreed-upon procedures engagement.

The purpose of this report is solely to describe the scope of testing performed on the Village's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, 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.

Maxwell CPA, LLC

Monroe, Louisiana
June 30, 2022

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

06/30/2022 (Date Transmitted)

Maxwell CPA, LLC (CPA Firm Name)
8649 Hwy 165 N, Ste 2 (CPA Firm Address)
Monroe, LA 71203 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of December 31, 2021 (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Public Bid Law

It is true that we have complied with the state procurement code (R.S. 39:1551 – 39:1755); the public bid law (R.S. 38:2211-2296), and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes No [] N/A []

Code of Ethics for Public Officials and Public Employees

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

Yes No [] N/A []

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

Yes No [] N/A []

Budgeting

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

Yes No [] N/A []

Accounting and Reporting

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

Yes No [] N/A []

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

Yes No [] N/A []

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

Yes No [] N/A []

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

Yes No [] N/A []

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

Yes No [] N/A []

We have complied with R.S. 24:515.2 regarding reporting of pre- and post- adjudication court costs, fines and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed, and the amounts received from disbursements.

Yes No [] N/A []

Meetings

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

Yes No [] N/A []

Debt

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

Yes No [] N/A []

Advances and Bonuses

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

Yes No [] N/A []

Prior-Year Comments

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

Yes No [] N/A []

General

We acknowledge that we are responsible for the Agency's compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes No [] N/A []

We acknowledge that we are responsible for determining that that the procedures performed are appropriate for the purposes of this engagement.

Yes No [] N/A []

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

Yes No [] N/A []

We have provided you with all relevant information and access under the terms of our agreement.

Yes No [] N/A []

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

Yes No [] N/A []

We are not aware of any material misstatements in the information we have provided to you.

Yes No [] N/A []

We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others concerning noncompliance with the foregoing laws and regulations, including communications received during the period under examination; and will

disclose to you any such communication received between the end of the period under examination and the date of your report.

Yes No [] N/A []

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies all known noncompliance and other events subsequent to the date of this representation and the date of your report that could have a material effect on our compliance with laws and regulations and the internal controls with such laws and regulations, or would require adjustment or modification to the results of the agreed-upon procedures.

Yes No [] N/A []

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

<u>Lydia Lopez</u>	Secretary	<u>6-30-22</u>	Date
	Treasurer		Date
<u>Bonny W Clark</u>	President	<u>6-30-22</u>	Date