Village of Simsboro
Simsboro, Louisiana

For the Year Ended June 30, 2025

HMV
CERTIFIED PUBLIC ACCOUNTANTS

VILLAGE OF SIMSBORO

FOR THE YEAR ENDED JUNE 30, 2025

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VILLAGE OF SIMSBORO

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PREMIER PLAZA
1900 N. 18TH STREET, SUITE 300 | MONROE, LOUISIANA 71201
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To the Honorable Kenneth Slocum, Mayor
And Members of the Board of Alderman
Village of Simsboro, Louisiana

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinions

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 Simsboro, Louisiana, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of the Village of Simsboro, Louisiana, as of June 30, 2025, and the respective changes in financial position, and where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village of Simsboro, Louisiana's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards,* we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village of Simsboro, Louisiana's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village of Simsboro, Louisiana's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of proportionate share of net pension liability, and the schedule of employer pension contribution on pages 5 through 9 and 38 through 42, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economical, 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 does not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Simsboro Louisiana's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, schedule of compensation paid to alderman, schedule of compensation, reimbursements, benefits and other payments to agency head, LCDBG sewer improvement project – balance sheet, LCDBG sewer improvement project – schedule of revenues, expenditures, and changes in net position, the justice system funding schedule - collecting/disbursing entity, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles,* and *Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, accompanying combining and individual nonmajor fund financial statements, schedule of compensation paid to alderman, schedule of compensation, reimbursements, benefits and other payments to agency head, LCDBG sewer improvement project – balance sheet, LCDBG sewer improvement project – schedule of revenues, expenditures, and changes in net position, the justice system funding schedule - collecting/disbursing entity, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2026, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village of Simsboro Louisiana's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Heard, McElroy & Vestal, LLC

Monroe, Louisiana
May 11, 2026

REQUIRED SUPPLEMENTARY INFORMATION (PART I)

MANAGEMENT'S DISCUSSION & ANALYSIS

Our discussion and analysis of the Village of Simsboro, Louisiana's financial performance provides an overview of the Village's financial activities for the fiscal year ended June 30, 2025. Please read it in conjunction with the Village's financial statements, which begin on page 10.

Financial Highlights

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by approximately $6 million.
- During the year, the revenues of the Village exceeded its expenditures by $826,037. Last year, revenues exceeded expenses by $1,911,846.
- The Village's revenues for the year were approximately $1.4 million, which is lower than the prior year revenues of approximately $2.5 million.
- The total cost of all the Village's programs was $612,109 for the current year, an increase over prior year costs of $629,535.

Using this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 10-11) provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. Fund financial statements start on page 12. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds.

Reporting the Village as a Whole

Our analysis of the Village as a whole begins on page 10. One of the most important questions asked about the Village's finances is, "Is the Village as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and Statement of Activities report information about the Village as a whole and about its activities in a way that helps answer this question. The statement includes *all* assets and liabilities using the *accrual basis of accounting,* which is similar to the accounting used by most private-sector companies. All the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Village's *net position* and changes in them. You can think of the Village's net position – the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources – as one way to measure the Village's financial health, or *financial position.*

Over time, *increases or decreases* in the Village's net position are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Village's property tax base and the condition of the Village's infrastructure, to assess the *overall health* of the Village.

In the Statement of Net Position and Statement of Activities, we divide the Village into two kinds of activities.

- Governmental activities – Most of the Village's basic services are reported here, including the police, parks and recreation, sanitation and health, economic development, and general administration. Property taxes, sales taxes, franchise fees, and state and federal grants finance most of these activities.

- Business-type activities – The Village charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Village's water and sewer systems are reported here.

<u>Reporting the Village's Most Significant Funds</u>

Our analysis of the Village's major funds begins on page 12. The fund financial statements provide detailed information about the most significant funds, not the Village as a whole. Some funds are required to be established by state law and by bond covenants. The Village's two kinds of funds – *governmental* and *proprietary* use different accounting approaches.

- *Governmental funds* – Most of the Village's basic services are reported in governmental funds which focus on how money flows into and out of those funds and the balances left at year-end that are non-spendable, restricted, committed, assigned or unassigned. These classifications of fund balance show the nature and extent of constraints placed on the Village's annually adopted budget. Unassigned fund balance is available for spending for any purpose. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the Village's general government operations and the basic services it provided. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and Statement of Activities) and governmental *funds* in a reconciliation following the fund financial statements.

- *Proprietary Funds* – When the Village charges customers for the services it provides - whether to outside customers or to other units of the Village – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the Village's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statement but provide more detail and additional information, such as cash flows, for proprietary funds.

<u>The Village As A Whole</u>

The Village's *combined* net position increased by $826,612. In contrast, last year's net position increased by approximately $1.9 million. Looking at net position and net expenses of governmental and business-type activities separately, however, provides more detail. Our analysis below focuses on the net position and changes in net position of the Village's governmental and business-type activities.

	Governmental Activities		Business Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 695,629	$ 748,767	$ 792,822	$ 771,063	$ 1,488,451	$ 1,519,830
Capital assets	120,381	129,021	5,712,324	4,708,362	5,832,705	4,837,383
Total assets	816,010	877,788	6,505,146	5,479,425	7,321,156	6,357,213
Deferred outflows	22,180	44,485	-	-	22,180	44,485
Other liabilities	5,366	5,096	217,779	215,439	223,145	220,535
Long term liabilites	-	57,484	995,362	847,593	995,362	905,077
Total liabilities	5,366	62,580	1,213,141	1,063,032	1,218,507	1,125,612
Deferred inflows	34,720	12,014	-	-	34,720	12,014
Net position						
Invested in capital assets, net of related debt	120,381	129,021	4,712,267	3,856,269	4,832,648	3,985,290
Restricted	249,626	76,428	71,640	36,690	321,266	113,118
Unrestricted	428,097	642,230	508,098	523,434	936,195	1,165,664
Total Net Position	$ 798,104	$ 847,679	$ 5,292,005	$ 4,416,393	$ 6,090,109	$ 5,264,072

The largest portion of the Village of Simsboro's net position totaling $4,832,648 reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that are still outstanding. The Village of Simsboro uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the Village of Simsboro's 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.

Governmental Activities – Net Position

Net position for the governmental activities decreased by $49,575. The restricted net position of the governmental activities represents the portion of net position that is not available to finance the day-to-day operations. The use of restricted assets is subject to the constraints established by a voter-approved Village ordinance. Restricted net position available to finance economic development and tourism activities increased by $5,774 to a total of $82,202, which is available to finance economic development and tourism activities. The remaining restricted net position of $167,424 is the remaining American Rescue Plan Act funds, that have been committed for projects to be completed in 2026.

Business-type Activities – Net Position

Net position for the business type activities increased by $875,612. The increase was largely due to receiving grant funds used to make improvements to the water and sewer systems.

Restricted net position of the business-type activities is $71,640, which is available to pay for debt of the sewer system.

	Governmental Activities		Business Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program Revenue						
Charges for service	$ 67,055	$ 65,181	$ 311,401	$ 318,833	$ 378,456	$ 384,014
Capital grants	-	12,259	810,990	1,913,808	810,990	1,926,067
General Revenue						
Property taxes	20,260	18,831	-	-	20,260	18,831
Sales taxes	120,410	119,341	-	-	120,410	119,341
Franchise, insurance premium taxes	73,387	68,692	-	-	73,387	68,692
Interest earnings	5,037	7,441	5,747	6,007	10,784	13,448
Other general revenues	23,859	10,988	-	-	23,859	10,988
Total revenues	310,008	302,733	1,128,138	2,238,648	1,438,146	2,541,381
Expenses						
General government	177,851	167,912	-	-	177,851	167,912
Public safety	32,857	47,033	-	-	32,857	47,033
Water and Sewer	-	-	401,401	414,590	401,401	414,590
Total expenses	210,708	214,945	401,401	414,590	612,109	629,535
Excess (Deficiency) before transfers	99,300	87,788	726,737	1,824,058	826,037	1,911,846
Transfers in (out)	(148,875)	(245,024)	148,875	245,024	-	-
Change in net position	(49,575)	(157,236)	875,612	2,069,082	826,037	1,911,846
Net position, beginning	847,679	1,004,915	4,416,393	2,347,311	5,264,072	3,352,226
Net position, ending	$ 798,104	$ 847,679	$ 5,292,005	$ 4,416,393	$ 6,090,109	$ 5,264,072

Our analysis that follows separately considers the operations of governmental and business-type activities.

Governmental activities

The total revenue for governmental activities increased by $7,275 over prior year. There was an increase in revenue from tourism and infrastructure along with increase in Franchise and Insurance premium taxes that offset grant revenue that the Village received in prior year.

Governmental activities expenses decreased by $4,237.

Business-type activities

The Village's total business-type revenues decreased by approximately $1.1 million, due to grants received for water and sewer improvements in prior year. This year, the Village reported $311,401 in charges for services as opposed to the $318,833 reported in the prior year.

Total costs to operate the water and sewer system was $401,401, which was $13,189 less than the prior year.

The Village's Funds

Governmental Funds – The focus of the Village of Simsboro's governmental funds is to provide information on near-term inflow, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unreserved fund balances may serve as a useful measure of a Village's net resources available for spending at the end of the fiscal year.

As the Village completed the year, its governmental funds (as presented in the balance sheet on page 12) reported a combined fund balance of $690,263, decreasing by $53,408.

Village governmental fund revenues increased by approximately $7,000 during this fiscal year, compared to last year. Village expenditures were higher this year, increasing by approximately $34,000. This increase was due to an increase in sanitation, public safety and other general government expenses.

Proprietary funds – The Village's proprietary fund statements provide the same type of information as found in the government-wide financial statements, but in more detail.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year, the Village Council amended the budget once on June 2, 2025. The amendment to the General fund budget increased revenues overall to be in line with the actual revenue received. The expenditures of the General fund were increased to be in line with actual expenditures for general government administration.

Capital Asset and Debt Administration

At the end of June 30, 2025, the Village had 5,741,322 invested in capital assets including police equipment, buildings, water, and sewer. This amount represents an increase of $903,939 in investments in capital assets.

	Governmental Activities		Business Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land and CIP	$ 50,000	$ 50,000	$ 1,933,135	$ 2,860,685	$ 1,983,135	$ 2,910,685
Building and improvements	41,531	48,642	-	-	41,531	48,642
Waterworks system	-	-	1,558,122	896,824	1,558,122	896,824
Sewer treatment facilities	-	-	2,221,067	950,853	2,221,067	950,853
Machinery and equipment	23,132	24,461	-	-	23,132	24,461
Vehicles	5,718	5,918	-	-	5,718	5,918
Totals	$ 120,381	$ 129,021	$ 5,712,324	$ 4,708,362	$ 5,832,705	$ 4,837,383

Debt

At year-end, the Village had $1,000,057 in debt in the form of a Rural Development note and Drinking Water Revolving Loan, as compared to $852,093 last year. The increase is due to the Village getting approval to borrow up to $2,000,000 from the State of Louisiana's revolving loan fund to make improvements to the water system. The Village borrowed $357,773 during the fiscal year and $175,309 was forgiven. The principal due on the revolving loan is $881,155

More detailed information about the Village's long-term liabilities is presented in Note 11 to the financial statements.

Economic Factors and Next Year's Budget and Rates

We have taken a conservative approach to crafting this year's budget. Lower revenues from grants, loans and few appreciable differences in other revenues is expected this year.

Contacting the Village's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about this report or need additional information, contact the Mayor at Town Hall at 2742 Martha Street, Simsboro, Louisiana, 71275.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

VILLAGE OF SIMSBORO

STATEMENT OF NET POSITION

JUNE 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 450,006	$ 526,911	$ 976,917
Investments	99,108	130,231	229,339
Receivables, Net	37,715	78,895	116,610
Internal Balances	26,598	(26,598)	-
Restricted Cash and Cash Equivalents	82,202	72,993	155,195
Inventory	-	10,390	10,390
Capital Assets:			
Land and Construction In Progress	50,000	1,933,135	1,983,135
Depreciable Capital Assets, Net	70,381	3,779,189	3,849,570
TOTAL ASSETS	816,010	6,505,146	7,321,156
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows On Pensions	$ 22,180	$ -	$ 22,180
LIABILITIES			
Accounts and Retainage Payable	$ 5,366	$ 177,747	$ 183,113
Interest Payable	-	387	387
Customer Deposits	-	34,950	34,950
Long-term Liabilities Due Within One Year:			
Bonds Payable	-	4,695	4,695
Long-term Liabilities Due in More Than One Year:			
Bonds Payable	-	995,362	995,362
TOTAL LIABILITIES	5,366	1,213,141	1,218,507
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows On Pensions	34,720	-	34,720
NET POSITION			
Net Investment in Capital Assets	120,381	4,712,267	4,832,648
Restricted	249,626	71,640	321,266
Unrestricted	428,097	508,098	936,195
TOTAL NET POSITION	$ 798,104	$ 5,292,005	$ 6,090,109

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

VILLAGE OF SIMSBORO

STATEMENT OF ACTIVITES

FOR THE YEAR ENDED JUNE 30, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Function/Program Activities							
Government Activities:							
General and Administrative	$ 177,851	$ 57,506	$ -	$ -	$ (120,345)	$ -	$ (120,345)
Public Safety	32,857	9,549	-	-	(23,308)	-	(23,308)
Total Governmental Activities	210,708	67,055	-	-	(143,653)	-	(143,653)
Business-Type Activities:							
Water and Sewer	401,401	311,401	-	810,990	-	720,990	720,990
Total Government	$ 612,109	$ 378,456	$ -	$ 810,990	(143,653)	720,990	577,337

	Governmental Activities	Business-Type Activities	Total
General Revenues:			
Taxes:			
Ad Valorem Tax	20,260	-	20,260
Franchise Taxes	73,387	-	73,387
Sales Taxes	120,410	-	120,410
Miscellaneous	23,859	-	23,859
Transfers In (Out)	(148,875)	148,875	-
Earnings on Investments	5,037	5,747	10,784
Total General Revenues and Transfers	94,078	154,622	248,700
Changes in Net Position	(49,575)	875,612	826,037
Net Position - Beginning	847,679	4,416,393	5,264,072
Net Position - Ending	$ 798,104	$ 5,292,005	$ 6,090,109

FUND FINANCIAL STATEMENTS

VILLAGE OF SIMSBORO

BALANCE SHEET
GOVERNMENTAL FUNDS

JUNE 30, 2025

	General Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	$ 271,947	$ 167,424	$ 10,635	$ 450,006
Restricted Cash	82,202	-	-	82,202
Investments	99,108	-	-	99,108
Receivables, Net	37,715	-	-	37,715
Due From Other Funds	26,598	-	-	26,598
TOTAL ASSETS	$ 517,570	$ 167,424	$ 10,635	$ 695,629
LIABILITIES				
Accounts Payable	$ 3,058	$ -	$ -	$ 3,058
Accrued Liabilities	2,308	-	-	2,308
Total Liabilities	5,366	-	-	5,366
FUND BALANCES				
Restricted	82,202	167,424	-	249,626
Assigned	-	-	10,635	10,635
Unassigned	430,002	-	-	430,002
Total Fund Balance	512,204	167,424	10,635	690,263
TOTAL LIABILITIES AND FUND BALANCES	$ 517,570	$ 167,424	$ 10,635	$ 695,629

VILLAGE OF SIMSBORO

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

JUNE 30, 2025

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

Total Governmental Fund Balances	$	690,263
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		120,381
Deferred outflows/inflows related to pensions are not due and payable in the current period and accordingly not recorded in the fund financial statements		
Deferred Outflows on Pensions		22,180
Deferred Inflows on Pensions		(34,720)
Net Position of Governmental Activities	$	798,104

VILLAGE OF SIMSBORO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	ARPA Fund	Non Major Governmental Funds	Total Governmental Funds
Revenues				
Taxes				
Ad Valorem	$ 20,260	$ -	$ -	$ 20,260
Sales and Use	120,410	-	-	120,410
Franchise and Insurance Premiums	73,387	-	-	73,387
Charges for Services	57,506	-	-	57,506
Fines and Forfeitures	9,549	-	-	9,549
Interest Income	3,765	1,197	75	5,037
Miscellaneous	23,859	-	-	23,859
Total Revenues	308,736	1,197	75	310,008
Expenditures				
General Government	169,411	-	-	169,411
Public Safety	45,130	-	-	45,130
Total Expenditures	214,541	-	-	214,541
Excess of Revenues Over Expenditures	94,195	1,197	75	95,467
Other Financing Sources (Uses)				
Transfer Out	(118,063)	(30,812)	-	(148,875)
Net Change in Fund Balance	(23,868)	(29,615)	75	(53,408)
Fund Balance - Beginning	536,072	197,039	10,560	743,671
Fund Balance - Ending	$ 512,204	$ 167,424	$ 10,635	$ 690,263

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

VILLAGE OF SIMSBORO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2025

Amounts reported for governmental activities in the Statement of Activities are different because:	
Net Change in Fund Balances - Total Governmental Funds	$ (53,408)
Government funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Depreciation Expense	(8,640)
The recognition of pension expense in the Statement of Activities is based on projected benefit payments discounted to actuarial present value and attributed to periods of employee service. Pension expenditures in the fund financial statements are the amounts actually paid.	12,473
Change in Net Position in Governmental Activities	$ (49,575)

VILLAGE OF SIMSBORO

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

JUNE 30, 2025

	Business-Type Activities Enterprise Funds		
	Water Fund	Sewer Fund	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	$ 477,104	$ 49,807	$ 526,911
Accounts Receivable, Net	19,812	59,083	78,895
Investments	119,761	10,470	130,231
Inventory	10,390	-	10,390
Due From Other Funds	506	6,671	7,177
Total Current Assets	627,573	126,031	753,604
Non-Current Assets			
Restricted Assets:			
Restricted Cash and Cash Equivalents	34,950	38,043	72,993
Capital Assets:			
Land and Construction in Progress	1,913,512	19,623	1,933,135
Depreciable Assets, Net of Depreciation	1,490,267	2,288,922	3,779,189
Total Noncurrent Assets	3,403,779	2,308,545	5,712,324
TOTAL ASSETS	$ 4,066,302	$ 2,472,619	$ 6,538,921
LIABILITIES			
Current Liabilities			
Accounts and Retainage Payable	114,630	63,117	$ 177,747
Interest Payable	-	387	387
Due To Other Funds	23,247	10,528	33,775
Payable From Restricted Assets:			
Customer Deposits	34,950	-	34,950
Notes Payable	-	4,695	4,695
Total Current Liabilities	172,827	78,727	251,554
Noncurrent liabilities :			
Notes and Bonds Payable	851,155	144,207	995,362
Total Liabilities	1,023,982	222,934	1,246,916
NET POSITION			
Net Investment in Capital Assets	2,552,624	2,159,643	4,712,267
Restricted	34,950	36,690	71,640
Unrestricted	454,746	53,352	508,098
Total Net Position	$ 3,042,320	$ 2,249,685	$ 5,292,005

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

VILLAGE OF SIMSBORO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2025

	Business-Type Activities Enterprise Funds		
	Water Fund	Sewer Fund	Total
Operating Revenues			
Charges for Services	$ 224,197	$ 87,204	$ 311,401
Operating Expenses			
Personnel Services	-	27,098	27,098
Materials, Repairs & Supplies	17,405	18,324	35,729
Utilities	29,250	13,449	42,699
Other Administrative	20,172	15,655	35,827
Depreciation	65,190	81,289	146,479
Outside Services	49,040	32,724	81,764
Sample Collecting/Testing	-	6,763	6,763
Total Operating Expenses	181,057	195,302	376,359
Operating Income (Loss)	43,140	(108,098)	(64,958)
Non-Operating Revenues (Expenses)			
Transfers In	30,812	119,156	149,968
Transfers Out	(1,093)	-	(1,093)
Loan forgiveness	175,309	-	175,309
Grant Revenue	-	635,681	635,681
Interest Income	5,015	732	5,747
Interest Expense	(18,601)	(6,441)	(25,042)
Total Non-Operating Revenues (Expenses)	191,442	749,128	940,570
Change in Net Position	234,582	641,030	875,612
Net Position - Beginning of the Year	2,807,738	1,608,655	4,416,393
NET POSITION - END OF THE YEAR	$ 3,042,320	$ 2,249,685	$ 5,292,005

VILLAGE OF SIMSBORO

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2025

	Business-Type Activities Enterprise Funds		
	Water Fund	Sewer Fund	Total
Cash Flows From Operating Activities			
Receipts from Customers	$ 219,760	$ 85,954	$ 305,714
Payments to Suppliers	(116,361)	(117,394)	(233,755)
Payments to Employees	-	(27,098)	(27,098)
Net Cash Provided (Used) by Operating Activities	103,399	(58,538)	44,861
Cash Flows From Noncapital Financing Activities			
Transfer In	29,719	119,156	148,875
Increase in Net Due To Other Funds	1,508	(10)	1,498
Increase in Customer Deposits	2,444	-	2,444
Net Cash Provided by Noncapital Financing Activities	33,671	119,146	152,817
Cash Flows From Capital and Related Financing Activites			
Purchase of Capital Assets	(482,871)	(667,591)	(1,150,462)
Change in Retainage Payable	30,686	-	30,686
Grant Revenue	-	583,013	583,013
Loan Forgiveness	175,309	-	175,309
Proceeds from Issuance of Long-Term Debt	182,464	-	182,464
Principal Paid on Bonds	(30,000)	(4,500)	(34,500)
Interest Paid on Bonds	(18,601)	(6,453)	(25,054)
Net Cash (Used) by Capital and Related Financing Activities	(143,013)	(95,531)	(238,544)
Cash Flows From Investing Activities			
Interest Income	3,534	627	4,161
Net (Decrease) in Cash and Cash Equivalents	(2,409)	(34,296)	(36,705)
Cash and Cash Equivalents - Beginning	514,463	122,146	636,609
CASH AND CASH EQUIVALENTS - ENDING	$ 512,054	$ 87,850	$ 599,904
Reconciliation to Balance Sheet			
Cash	$ 477,104	$ 49,807	$ 526,911
Restricted Assets - Cash	34,950	38,043	72,993
	$ 512,054	$ 87,850	$ 599,904
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Operating Income (Loss)	$ 43,140	$ (108,098)	$ (64,958)
Adjustments to Reconcile Net Losses to Net Cash Provided (Used) by Operating Activities			
Depreciation	65,190	81,289	146,479
(Increase) Decrease in Accounts Receivable	(4,437)	(1,250)	(5,687)
Increase (Decrease) in Accounts Payable	(494)	(30,479)	(30,973)
Net Cash Provided by Operating Activities	$ 103,399	$ (58,538)	$ 44,861

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

NOTES TO THE FINANCIAL STATEMENTS

Introduction

The Village of Simsboro, Louisiana (the Village) consists of an executive branch of government headed by a mayor and a legislative branch of government consisting of three aldermen. The Village's combined balance sheet includes the accounts of all village operations. The Village's major operations include police protection, garbage and trash collection, and administrative services. In addition, the Village operates a Utility Enterprise fund to provide water and sewerage services.

Note 1 - Summary of Significant Accounting Policies

Basis of Presentation

The Governmental Accounting Standards Board (GASB) promulgates generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local government entities. The GASB has issued a codification of governmental accounting and financial reporting standards. This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local government. The financial reporting practices of the Village comply with the financial reporting standards by the GASB.

The accompanying financial statements present the financial position and results of operations of the Village and the various funds and fund types, and the cash flows of the proprietary funds.

A. Financial Reporting Entity

As the municipal governing authority, for reporting purposes, the Village of Simsboro, Louisiana is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government, the Village of Simsboro, Louisiana, (b) Organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the Village are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB established criteria for determining which component units should be considered part of the Village of Simsboro, Louisiana for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is accountability. The GASB has a set of criteria to be considered in determining financial accountability. This criterion includes:

1. Appointing a voting majority of an organization's governing body, and:
    - The ability of the Village to impose its will on that organization and/or
    - The potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the Village.
2. Organizations for which the Village does not appoint a voting majority but are fiscally dependent on the Village.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Village has determined that there are no component units that are part of the reporting entity.

B. Government-Wide Financial Statements

The government-wide financial statements (the Statement of Net Position and the Statement of Activities) display information about the reporting government as a whole. Fiduciary funds are not included in the government-wide financial 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, segment or component unit are offset by program revenues. Direct expenses are those that are clearly identifiable with specific function, segment, or component unit.

Program Revenues

Program revenues include 1) charges to customers who purchase, use or directly benefit from goods or services provided by given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Charges for services are primarily derived for solid waste fees, rental income, and traffic fines. Taxes and other items not properly included among program revenues are reported instead as general revenues. Resources that are dedicated internally are reported as general revenues rather than as program revenues.

Allocation of Indirect Expenses

The Village allocates indirect expenses, such as interest expense, directly to clearly identifiable functions in the Statement of Activities.

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

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

Government-wide Financial Statements – 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements – The 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 Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal year end. Principal revenue sources considered susceptible to accrual include grants, sales and use taxes, and franchise taxes. Other revenues are considered to be measurable and available only when cash is received by the Village.

Expenditures are generally recorded when a liability is incurred, as under accrual accounting. Modifications to the accrual bases of accounting include:

1. Interest on general long-term obligations is recognized when paid.
2. Debt service expenditures are recorded only when payment is due.

Proprietary Funds – The financial statements of the proprietary funds are reported using the economic resources measurement focus and the accrual basis or accounting, similar to the government-wide statements described above.

Each proprietary fund has the option under Governmental Accounting Standards Board (GASB), Statement 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting* to elect to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASBs conflict with GASB. The primary government’s enterprise funds have elected to not apply FASBs issued after the application date.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Fund Accounting

The financial activities of the Village are recorded in the individual funds, each of which is deemed to be a separate accounting entity. The Village uses fund accounting to report on its financial position and results of operation. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Major Governmental Funds

General Fund – This fund accounts for all activities of the Village not specifically required to be accounted for in other funds. This fund accounts for transactions for services such as general government and public safety services.

ARPA Fund – The ARPA fund is a special revenue fund accounts for grant funding from the Coronavirus State Local Fiscal Recovery Fund authorized by American Rescue Plan Act of 2021.

Major Proprietary Funds

Water and Sewer funds – These funds are used to account for the provision of water and sewerage to residents of the Village of Simsboro. These funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

E. Cash and Cash Equivalents

Under state law, the Village may deposit funds in direct deposits, interest-bearing demand deposits, or time deposits with state banks, organized under Louisiana law or any other state of the United States, or under the laws of the United States.

For the purpose of the Proprietary fund Statement of Cash Flows, the Village considers all investments with a maturity of three months or less when purchased to be cash equivalents.

F. Investments

Investments are limited by R.S. 33:2955 and the Village's investment policy. If original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

Permissible investments include direct obligations of the U.S. Government and agency securities, certificates of deposit, and savings accounts or savings certificates of savings and loan associations and repurchase agreements.

The investments are reflected at fair value except for the following which are permitted per GASB Statement No. 31:

1. Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

The Village's investments are in certificates of deposit and are stated at amortized cost.

G. Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible receivables are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances of the governmental activities include sales and use taxes and franchise fees, and grants. Business-type activities report utilities as their major receivable. An allowance for uncollectible accounts, if indicated in the opinion of management, they are charged to operations.

In the fund financial statements, material receivables in governmental funds include revenue accruals that are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis.

H. Inventory

Inventory items are valued at cost using the first-in, first out method. The Village records inventory in the Utility fund for water and sewer repair and maintenance items held at year end.

I. Capital Assets

Capital assets, which include land, buildings, equipment, and improvements, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund financial statements. Capital assets are capitalized at historical cost or estimated costs if historical cost is not available. Donated assets are recorded as capital assets at their estimated acquisition value at the date of donation. The Village maintains a threshold level of $500 or more for capitalizing capital assets.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. All capital assets, other than land and construction in progress, are depreciated using the straight-line method over the following useful lives:

Description	Estimated Lives
Buildings	40 years
Site Improvements	40 years
Equipment	5-10 years

J. Deferred Outflows/Inflows of Resources

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources,* represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Village has one item that qualifies for reporting in this category.

The Statement of Net Position reports the Village's proportionate share of deferred outflows of resources related to pensions. See Note 10 for more information.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflow of resources,* represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The Village has one item that qualifies for reporting in this category.

The Statement of Net Position reports on the Village's proportionate share of the deferred inflows of resources related to pensions. See Note 10 for more information.

K. Interfund Activity

Interfund activity is reported as loans, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related costs as a reimbursement. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

L. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term liabilities are reported as liabilities in the applicable governmental and business-type activities in the Statement of Net Position. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. Compensated Absences

The Village's policy provides vacation and sick leave to full-time employees. Part-time employees do not accrue vacation time.

Vacation and sick leave chart is as follows:

Years of Service	Days of annual leave	Days of sick leave
1 year after anniversary date	10	10
2 years (Jan 1 – Dec 31)	10	10
3 years (Jan 1 – Dec 31)	10	10
4 years (Jan 1 – Dec 31)	10	10
5 – 9 years (Jan 1 – Dec 31)	10	10
10-20 years (Jan 1 – Dec 31)	10	10

After the first year of employment, annual vacation leave must be taken between the anniversary date of employment and December 31 of the following year. All other vacation leave days must be taken between January 1 and December 31, of the year earned or the year following. Vacation and sick leave are not paid upon termination. As of June 30, 2025, no liability was recognized for unused annual leave.

N. Post-Employment Health Care Benefits

The Village does not provide medical coverage for its retirees; consequently, there is no liability for post-employment health care benefits.

O. Equity Classifications – Government-wide Statements

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The Village reports three categories of net position as follows:

1. Net investment in capital assets – consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows or resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

2. Restricted net position – net position is considered restricted if its use is constrained to a particular purpose. Restrictions can be:

   - Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments.

   - Imposed by law through constitutional provisions or enabling legislation. Restricted net position is restricted assets reduced by liabilities and deferred inflows of resources related to the restricted assets.

3. Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the Village.

When both restricted and unrestricted resources are available for use, generally it is the Village's policy to use restricted resources first, then unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Net position in the governmental activities of $82,202 are restricted by enabling legislation (LA RS 47:322.33(B)) for infrastructure enhancements which support economic development or tourism.

P. Fund Equity of Fund Financial Statements

GASB Statement No. 45 requires the fund balance amounts to be reported within the fund balance categories as follows:

Non-spendable – Fund balance that is not in spendable form or legally or contractually required to be maintained intact. This category includes items that are not easily converted to cash such as inventories.

Restricted Fund Balance – Fund balance that can be spent only for specific purposes stipulated by the constitution, external resource provides or through enabling legislation.

Committed Fund Balance – Fund balance that can only be used for specific purposes pursuant to constraints imposed by formal resolution 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 alderman 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 field have been specifically committed for use in satisfying those contractual requirements.

Assigned Fund Balance – Fund balance that is constrained by the Village's "intent" to be used for specific purposes but is neither restricted nor committed. The Village alderman 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 not committed.

Unassigned Fund Balance – Fund balance that is the residual classification for the General fund. It is also used to report negative fund balances in other governmental funds.

Minimum Fund Balance – The Village does not have a minimum fund balance policy. When both restricted and unrestricted resources are available for use, it is the Village's policy to use externally restricted resources first, then unrestricted resources. The Village reduces committed amounts, followed by assigned amounts, and then unassigned amounts when an expenditure is incurred for which amounts in any of those unrestricted fund classifications could be used.

Q. Elimination and Reclassifications

In the process of aggregating data for the Statement of Net Position and the Statement of Activities, the interfund activity was reported as internal balances in an attempt to minimize the "grossing up" effect on assets and liabilities within the governmental and business-type activities column.

R. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

S. Pension Plan

The Village is a participating employer in a multiple employer, defined benefit plan described in Note 10. For purposes of measuring the net pension liability, deferred outflows and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plan, and additions to/deductions for the plans fiduciary net position have been determined on the accrual basis, which is the same basis as they are reported in the retirement system. for this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 2 - Stewardship, Compliance and Accountability

The Village uses the following budget practices:

1. In May of each year, the Mayor submits to the Board of Aldermen an operating and capital budget for the succeeding year.
2. A public hearing is scheduled by the Mayor and Board or Aldermen after allowing for at least ten days' notice to the public at the time the budget is initially submitted to the Board or Aldermen.
3. Final adoption of the Budget by the Board of Aldermen is on the first Monday in June.
4. The Mayor may authorize transfers of budgetary amounts within departments. Any revision requiring alteration of levels of expenditures or transfers between departments must be approved by the Board of Aldermen.
5. Operating appropriations and non-major capital appropriations, to the extent not expended, lapse at year end.
6. All legally adopted budgets of the Village are adopted on a basis consistent with accounting principles generally accepted in the United States or America (GAAP). Budgets are adopted for the General Fund and Special Revenue funds.

Note 3 - Deposits and Investments

Deposits are stated at cost, which approximate fair 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 fair 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 acceptable to both parties.

Interest rate risk: The Village's policy does not address interest rate risk.

Credit Risk: The Village's investments are in certificates of deposit which do not have credit ratings. The Village's policy does not address credit risk.

Concentration of credit risk: The Village's policy does not address concentration of credit risk.

Custodial credit risk – deposits: At year-end, the Village's carrying amount of deposits was $1,361,451 and the bank balance was $1,377,216.

These deposits are reported as follows:

Cash and Cash Equivalents	$ 976,917
Investments	229,339
Restricted Cash	155,195
Total	$ 1,361,451

The Bank deposits are secured from risk by $500,000 of Federal Deposit Insurance and $877,216 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the Village that the fiscal agent has failed to pay deposited funds upon demand.

Note 4 - Accounts Receivable

The receivables of governmental activities at June 30, 2025, are as follows:

Class of receivable	General
Franchise fees	$ 8,028
Police supplemental pay	600
Solid waste fee	17,607
RV rental	400
Sales tax receivable	11,080
Total	$ 37,715

These receivables are expected to be collected in full; therefore, there is no allowance for doubtful accounts recorded.

At June 30, 2025, the Water and Sewer Fund had accounts receivable of $78,895, which is made up of customers' accounts outstanding of $35,612, less an allowance for doubtful accounts of $9,385, and grants receivable of $52,668.

Note 5 - Ad Valorem Taxes

The Village levies taxes on real and business personal property located within the Village's boundaries. Property taxes are levied by the Village on property values assessed by the Lincoln Parish Tax Assessor and approved by the State of Louisiana Tax Commission. Property taxes are assessed and collected on a calendar year basis. 2024 property taxes are attached as an enforceable lien on property as of January 1, 2025. Tax notices are usually mailed in November each year and become delinquent after December 31 of that year. The tax levy for 2024 was 5.08 mills of the assessed property valuation on tax rolls as of January 1. For the year ended June 30, 2025, taxes of $20,712 were levied on property with assessed valuations totaling $4,077,074.

Note 6 - Sales and Use Taxes

On April 28, 2018, the voters of the Village of Simsboro, Louisiana approved a 1.25% sales and use tax. The sales tax is collected by the Lincoln Parish Tax Commission and transferred to the Village of Simsboro, Louisiana on a monthly basis. The sales tax is effective for a perpetual term commencing on July 1, 2018. After paying the costs of collection and administration, the proceeds of the sales tax are to be used for any lawful corporate purpose of the Village.

Note 7 - Restricted Assets

At June 30, 2025, all restricted assets were in the form of demand deposits. These assets represent amounts held as follows:

	Governmental	Business-type
Economic development and tourism	$ 82,202	$ -
ARPA funds	167,424	-
Utility customer deposits	-	34,950
Restricted for debt service	-	36,690
Totals	$ 249,626	$ 71,640

Note 8 - Capital Assets

A summary of changes in capital assets follows:

Governmental Activities	June 30, 2024	Additions	Deletions	June 30, 2025
Capital Assets, not being depreciated				
Land	$ 50,000	$ -	$ -	$ 50,000
Total capital assets, not being depreciated:	50,000	-	-	50,000
Depreciable Assets				
Buildings and improvements	154,790	-	-	154,790
Equipment	105,131	-	-	105,131
Vehicles	63,500	-	-	63,500
Total capital assets being depreciated	323,421	-	-	323,421
Less: Accumulated Depreciation				
Buildings	(106,148)	(7,111)	-	(113,259)
Equipment	(80,670)	(1,329)	-	(81,999)
Vehicles	(57,582)	(200)	-	(57,782)
Total accumulated	(244,400)	(8,640)	-	(253,040)
Total capital asset being depreciated	79,021	(8,640)	-	70,381
Governmental Activities Capital Assets, Net	$ 129,021	$ (8,640)	$ -	$ 120,381

Business-Type Activities	June 30, 2024	Additions	Deletions	June 30, 2025
Capital Assets, not being depreciated				
Land	$ 39,246	$ -	$ -	$ 39,246
Construction in progress	2,821,439	482,870	(1,410,420)	1,893,889
Total capital assets, not being depreciated:	2,860,685	482,870	(1,410,420)	1,933,135
Depreciable Assets				
Waterwork System	1,585,305	731,768	-	2,317,073
Sewer Treatement facilities	2,719,920	1,338,162	-	4,058,082
Machinery and equipment	259,241	8,058	-	267,299
Total capital assets being depreciated	4,564,466	2,077,988	-	6,642,454
Less: Accumulated Depreciation				
Waterwork System	(865,925)	(57,277)	-	(923,202)
Sewer Treatement facilities	(1,769,067)	(67,947)	-	(1,837,014)
Machinery and equipment	(81,796)	(21,253)	-	(103,049)
Total accumulated	(2,716,788)	(146,477)	-	(2,863,265)
Total capital asset being depreciated	1,847,678	1,931,511	-	3,779,189
Business-Type Activities Capital Assets, Net	$ 4,708,363	$ 2,414,381	$ (1,410,420)	$ 5,712,324

Depreciation expense for the year ended June 30, 2025, was charged to functions of the primary government as follows:

Government activities:

General Government	$8,640

Business-type activities:

Water and Sewer	$146,477

Note 9 - Customers' Deposits

Deposits held for customers that are currently active on the water and sewer systems total $34,950 at June 30, 2025. These amounts are payable from restricted assets. See Note 7.

Note 10 - Pension Plans

Employees of the Village are members of the Municipal Police Employees' Retirement System of Louisiana (MPERS).

Municipal Police Employee Retirement System (MPERS)

Plan Description: Police officers of the Village are provided with pensions through a cost-sharing multiple-employer defined benefit plan established by Act 189 of 1973 and amended by Louisiana Revised Statutes (La. R.S. 11:2211 – 11:2233) to provide retirement benefits for municipal police officers. The Municipal Police Employees' Retirement System of Louisiana is the administrator of this plan. Membership in the System is mandatory for any full-time police officer employed by a municipality of the State of Louisiana engaged in law enforcement, empowered to make arrests, providing he or she does not have to pay social security and providing he or she meets the statutory criteria. The System provides retirement benefits for municipal police officers.

The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date. MPERS issues a publicly available financial report that can be obtained at www.lampers.org.

Benefits Provided: The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Retirement – membership prior to January 1, 2013: A member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years creditable service and is age 55. A member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age with an actuarially reduced benefit.

Benefit rates are 3 1/3% of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from 40% to 60% of the member's average final compensation for the surviving spouse. In addition, each child under age 18 receives equal to 10% of the member's average final compensation or $200 per month, whichever is greater.

Retirement – membership commencing January 1, 2013: Member eligibility for regular retirement, early retirement, disability and survivor benefits are based on Hazardous Duty and Non-Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non-Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he has been a member of the System for 20 years or creditable service at any age, with a actuarially reduced benefit from age 55.

Under the Hazardous and Non-Hazardous Duty sub plans, the benefit rates are 3% and 2 ½%, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from 25% to 55% of the member's average final compensation for the surviving spouse. In addition, each child under age 18 receives 10% of average final compensation or $200 per month whichever is greater. If a deceased member had less than 10 years of service, the beneficiary will receive a refund of employee contributions only.

Cost of Living Adjustments: The Board of Trustees is authorized to provide annual cost-of-living adjustments computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years or age or older on the cut-off date which determines eligibility.

No regular retiree, survivor or beneficiary will be eligible to receive a cost-of-living adjustment until benefits have been received at least one full fiscal year and the payment of such COLA, when authorized, will not be effective until the lapse of at least one-half of the fiscal year. Members who elect early retirement are not eligible for a cost-of-living adjustment until they reach retirement age.

A COLA may only be granted if funds are available from interest earnings in excess of normal requirements, as determined by the actuary.

Deferred Retirement Option Plan: A member is eligible to elect to enter the deferred retirement option plan (DROP) when he is eligible for regular retirement based on the member's sub plan participation. Upon filing the application for the program, the employee's active membership in the System is terminated. At the entry date into the DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DROP is thirty-six months or less. If employment is terminated after the three-year period, the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership into the System will resume and upon later termination, he will receive additional retirement benefit based on the additional service. For those eligible to enter DROP prior to January 1, 2004, DROP accounts earn interest subsequent to the termination of DROP participation at a rate of half of one percentage point below the percentage rate of return of the System's investment portfolio as certified by the actuary on an annual basis but will never lose money. For those eligible to enter DROP subsequent to January 1, 2004, an irrevocable election is made to earn interest based on the System's investment portfolio return or a money market investment return. This could result in a negative earnings rate being applied to the account.

If the member elects a money market investment return, the funds are transferred to a government money market account and earn interest at the money market rate.

Initial Benefit Option Plan: In 1999, the State Legislature authorized the System to establish an Initial Benefit Option program. Initial Benefit Option is available to members who are eligible for regular retirement and have not participated in DROP. The Initial Benefit Option program provides both a one-time single sum payment of up to 36 months of regular monthly retirement benefit, plus a reduced monthly retirement benefit for life, Interest is computed on the balance based on the same criteria as DROP.

Contributions: Contribution requirements of active employees are governed by Act 189 of 1973 and amended by Louisiana Revised Statutes (La. R.S. 11:L2211 – 11:2233) and may be amended by the Louisiana Legislature. Employee contributions are deducted from a member's salary and remitted to MPERS by participating employers. Contributions for all members are actuarially determined as required by state law but cannot be less than 9% of the employees' earnable compensation excluding overtime but including state supplemental pay. For the year ending June 30, 2025, the actual employer contributions rate ranged from 31.25% to 33.75% of actual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. The system also receives insurance premium tax monies as additional employer contributions. The tax is considered support from a non-contributing entity and appropriated by the legislative each year based on an actuarial study. Non-employer contributions were recognized as revenue during the year ended June 30, 2025, and excluded from pension expense. For the year ended Jume 30, 2025, there were no contributions made to the pension plan from non-employers or the Village.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

At June 30, 2025, the Village reported no liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was based on a projection of the Village's long-term share of contributions to the pension plan relative to the projected contribution of all participating employers, actuarially determined. At June 30, 2024, the Village's proportion was 0% which was a decrease from its proportion measured at June 30, 2023 of 0.0054%.

For the year ended June 30, 2025, the Village recognized pension no pension expense.

At June 30, 2025, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Governmental Activites	
	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	$ -	$ -
Net difference between projected and actual earnings of pension plan investments	-	-
Change of assumptions	-	-
Change in proportion and differences between employer contributions and proportionate share of contributions	22,180	34,720
Total	$ 22,180	$ 34,720

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended June 30,	
2025	$ (483)
2026	(483)
2027	(11,574)
2028	-

Actuarial Methods and Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2025 are as follows:

Valuation Date	June 30, 2024	
Actuarial Cost Method	Entry Age Normal Cost	
Investment Rate of Return	6.750% net of investment expense	
Inflation Rate	2.50% per annum	
Expected Remaining Service Lives	4 years	
Salary increase, including inflation and merit	Salary growth	
	Year of Service	Rate
	1-2	12.3%
	Above 2	4.70%

Mortality: For annuitants and beneficiaries, the Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.

For disabled lives, the Pub-2010 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used

For employees, the Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using MP2019 scale was used.

Cost-of-living adjustments — The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increase not year authorized by the Board of Trustees.

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan for the period July 1, 2014, through June 30, 2019, and review of similar law enforcement mortality. A change was made full generational mortality which combines the use of a base mortality table with appropriate mortality improvement scales. In order to set the base mortality table, actual plan mortality experience was assigned a credibility weighting and combined with a standard table to produce current levels or mortality.

The best estimates of the arithmetic nominal rates or return for each major asset class included in the System's target allocation as of June 30, 2025, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Portfolio Rea Rate of Return
Equity	52.00%	3.14%
Fixed Income	34.00%	1.04%
Alternative	14.00%	1.03%
Other	0.00%	0.00%
Totals	100.00%	5.24%
Inflation		2.54%
Expected Nominal Return		7.90%

Discount Rate: The discount rate used to measure the total pension liability was 6.750%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to changes in Discount Rate: The following presents the net pension liability of the Village's proportionate share of the net pension liability using the discount rate of 6.750%, as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or on percentage point higher than the current rate as of June 30, 2024:

	Changes in Discount Rate		
	1% Decrease 5.75%	Current Rate 6.75%	1% Increase 7.75%
Net Pension Liability	-	-	-

Pension Plan Fiduciary New Position: Detailed information about the pension plan's fiduciary net position is available in the separately issue Municipal Police Employees' Retirement System of Louisiana stand-alone audit report on their financial statements for the year ended June 30, at www.lampers.org

Payables to the Pension Plan: At June 30, 2025, the Village did not owe any money to the Municipal Police Employees' Retirement System for the June 30, 2025 employee and employer legally required contributions.

Note 11 - Long-Term Obligations

Long-Term debt activity for the year is as follows:

Business Type Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Rural development loan 92-04	$ 153,402	$ -	$ (4,500)	$ 148,902	$ 4,695
LDH-Drinking water revolving loan	698,691	357,773	(205,309)	851,155	-
Total	$ 852,093	$ 357,773	$ (209,809)	$ 1,000,057	$ 4,695

The Village borrowed from the LDH – Drinking Water Revolving Loan to make improvements to the water system. This loan is subject to principal forgiveness. Of the total reduction of principal, $30,000 was principal paid by the village and $175,309 was principal forgiveness. As of June 30, 2025, there were no repayment terms established.

The Village also has notes payable to Rural Development for revenue bonds that relate to the Village's sewerage system.

The note requires a monthly payment of $911, at an interest rate of 4.25%, payable through 2045.

Interest paid during the fiscal year ended June 30, 2025, was $6,453.

Principal and interest over the life of the loan is as follow:

Year	Interest	Principal	Total
2026	$ 6,237	$ 4,695	$ 10,932
2027	6,034	4,898	10,932
2028	5,821	5,111	10,932
2029	5,600	5,332	10,932
2030-2034	24,328	30,334	54,662
2035-2039	17,160	37,502	54,662
2040-2044	8,299	46,363	54,662
2045-2046	7,198	14,667	21,865
Total	$ 80,677	$ 148,902	$ 229,579

Note 12 - Interfund Receivables, Payables, and Transfers

Interfund receivables and payables at June 30, 2025, were as follows:

	Due from	Due to
General fund	$ 26,598	$ -
Proprietary fund		26,598
	$ 26,598	$ 26,598

These balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system and payments funds are made.

Note 13 - Subsequent Events

In preparing these financial statements, the Village has evaluated events and transactions for potential recognition or disclosure through May 11, 2026, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION (PART II)

VILLAGE OF SIMSBORO

BUDGETARY COMPARISON SCHEDULE – GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance With Final Budget Positive
	Original Budget	Final Budget	Actual	(Negative)
Budgetary Fund Balance at Beginning of Year	$ 536,072	$ 536,072	$ 536,072	$ -
Resources				
Property Taxes	19,000	19,573	20,260	687
Franchise and Insurance Premium	60,000	48,000	73,387	25,387
Sales Taxes	-	-	120,410	120,410
Intergovernmental	-	-	-	-
Charges for Services	58,000	50,000	57,506	7,506
Fines	11,000	9,000	9,549	549
Interest Income	3,500	2,400	3,765	1,365
Miscellaneous	1,000	9,424	23,859	14,435
Total Resources	152,500	138,397	308,736	170,339
Amounts Available for Appropriations	688,572	674,469	844,808	170,339
Charges to Appropriations				
Current				
General Government	155,000	175,000	169,411	5,589
Capital Outlay	-	-	-	-
Public Safety	40,000	43,000	45,130	(2,130)
Total Charges to Appropriations	195,000	218,000	214,541	3,459
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Transfer Out	-	-	(118,063)	(118,063)
	-	-	(118,063)	(118,063)
Budgetary Fund Balance at End of Year	$ 493,572	$ 456,469	$ 512,204	$ 55,735

VILLAGE OF SIMSBORO

BUDGETARY COMPARISON SCHEDULE-ARPA FUND

FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance With Final Budget
	Original Budget	Final Budget	Actual	Positive (Negative)
Budgetary Fund Balance at Beginning of Year	$ 197,039	$ 218,915	$ 197,039	$ (21,876)
Resources				
Intergovernmental Revenue - Federal	-	-	-	-
Interest Income	-	1,000	1,197	197
Total Resources	-	1,000	1,197	197
Amounts Available for Appropriations	197,039	219,915	198,236	(21,679)
Charges to appropriations				
Current				
Grant Expenses	-	30,812	-	30,812
Total Charges to Appropriations	-	30,812	-	30,812
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Transfer Out	-	-	(30,812)	(30,812)
	-	-	(30,812)	(30,812)
Budgetary Fund Balance at End of Year	$ 197,039	$ 189,103	$ 167,424	$ (21,679)

Note: General Budget Practices

A proposed budget is prepared and submitted by the Mayor to the Town Council prior to the beginning of each year. A proposed budget ordinance is published in the Village's official journal several weeks before the scheduled meeting to finalize the budgets. After budgets are published for public inspection, the budgets are adopted through the passage of the ordinance at the Village's June board meeting.

The operating budget is prepared on a basis used by the Village, which is basically a cash basis. The Village prepares annual budgets for all funds. Budget amendments are approved by the Town Council and are also approved by ordinance.

All budgetary appropriations lapse at the end of each year.

VILLAGE OF SIMSBORO

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY

FOR THE YEAR ENDED JUNE 30, 2025

Year Ending June 30,	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Employee Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2020	0.0000%	-	10,500	0.00%	71.01%
2021	0.0056%	52,118	7,000	744.54%	70.94%
2022	0.0000%	-	-	0.00%	84.09%
2023	0.0000%	-	10,500	0.00%	70.80%
2024	0.0054%	57,484	-	0.00%	71.30%
2025	0.0000%	-	-	0.00%	75.80%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available, beginning with FYE June 30, 2020.

The Village began participation in the Municipal Police Employees’ Retirement System on January 1, 2018. The Municipal Police Employees' Retirement System report as of June 30, 2019 did not include the Village in calculating the employer’s proportion of the net pension liability.

The amounts presented have a measurement date of the previous fiscal year end.

VILLAGE OF SIMSBORO

SCHEDULE OF THE EMPLOYER PENSION CONTRIBUTIONS

FOR THE YEAR ENDED JUNE 30, 2025

Year Ending June 30,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency(Excess)	Employer's Covered Employee Payroll	Contributions as % of Covered Employee Payroll
2020	3,397	3,397	-	10,500	32.35%
2021	2,265	2,265	-	7,000	32.36%
2022	-	-	-	-	0.00%
2023	3,229	3,229	-	10,500	30.75%
2024	-	-	-	-	0.00%
2025	-	-	-	-	0.00%

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available, beginning with FYE June 30, 2020.

The Village began participation in the Municipal Police Employees' Retirement System on January 1, 2018. The Municipal Police Employees' Retirement System report as of June 30, 2019 did not include the Village in calculating the employer's proportion of the net pension liability.

SUPPLEMENTARY INFORMATION

VILLAGE OF SIMSBORO

NONMAJOR SPECIAL REVENUE FUNDS – COMBINING BALANCE SHEET

JUNE 30, 2025

	Madden Park Fund
ASSETS	
Cash and Cash Equivalents	$ 10,635
Due from other funds	-
TOTAL ASSETS	$ 10,635
LIABILITIES	
Accounts, salaries, and other payables	$ -
Total Liabilities	-
FUND BALANCES	
Assigned	10,635
Unassigned	-
Total Fund Balance	10,635
TOTAL LIABILITIES AND FUND BALANCES	$ 10,635

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

VILLAGE OF SIMSBORO

NONMAJOR SPECIAL REVENUE FUNDS – COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED JUNE 30, 2025

	Madden Park Fund
Revenues	
Interest Income	$ 75
Miscellaneous	-
Total Revenues	75
Expenditures	
General Government	-
Public safety	-
Total Expenditures	-
Excess of Revenues Over Expenditures	75
Other Financing Sources (Uses)	
Transfers In	-
Transfer Out	-
Total Other Financing Sources (Uses)	-
Net Change in Fund Balance	75
Fund Balance - Beginning	10,560
Fund Balance - Ending	$ 10,635

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

VILLAGE OF SIMSBORO

SCHEDULE OF COMPENSATION PAID TO ALDERMEN

FOR THE YEAR ENDED JUNE 30, 2025

Alderman Jerry White	$ 600
Alderwoman Hazel Tuminello	600
Alderman Doug Durrett	300
	$ 1,500

See accompanying notes and auditors report.

VILLAGE OF SIMSBORO

SCHEDULE OF COMPENSATION, REIMBURSMENTS, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD

FOR THE YEAR ENDED JUNE 30, 2025

Agency Head		
	Sybil Smalling-Foster, Mayor (Term 7/1/2024-10/31/2024)	
Salary		$ 9,240
Travel		178
		$ 9,418

Agency Head		
	Doug Durrett, Mayor Pro Tempore (Term 11/1/2024-6/30/2025)	
Salary		$ 9,240

See accompanying notes and auditors report.

VILLAGE OF SIMSBORO

LCDBG SEWER IMPROVEMENT PROJECT – BALANCE SHEET

JUNE 30, 2025

Assets		
Cash	$	100
Grant receivable - LCDBG		52,667
Due from other funds		27,940
Total assets	$	80,707
Liabilities and Fund Balance		
Accounts payable	$	27,940
Retainage payable		52,667
Fund balance		100
Total liabilities and Fund Balance	$	80,707

VILLAGE OF SIMSBORO

LCDBG SEWER IMPROVEMENT PROJECT – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2025

Revenue	
Grant proceeds	$ 635,681
Local sources	103,782
Total	739,463
Expenses	
Construction - Wastewater treatment plant renovations	673,965
Other professional services	65,498
Total	739,463
Excess revenue over expenditures	-
Fund balance, beginning	100
Fund balance, ending	$ 100

VILLAGE OF SIMSBORO

JUSTICE SYSTEM FUNDING SCHEDULE – COLLECTING/DISBURSING ENTITY

FOR THE YEAR ENDED JUNE 30, 2025

	First Six Month Period Ended 12/31/2024	Second Six Month Period Ended 06/30/2025
Beginning Balance of Amounts Collected (i.e. cash on hand)	$ -	$ -
Add: Collections		
Other	6,314	1,526
Less: Disbursements to Governments & Nonprofits		
LA Comm on Law Enforcement - Post Law Enforcement Training and Assistance Fund, Other	67	22
Louisiana Judicial College, Other	17	6
Louisiana Traumatic Head and Spinal Cord Injury Trust Fund, Other	150	45
Treasurer, State of Louisiana, CMIS - Other	7	11
North Louisiana Crime Lab	30	20
Less: Amounts Retained by Collecting Agency		
Criminal Fines - Other	6,043	1,422
Subtotal Disbursements/Retainage	6,314	1,526
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	$ -	$ -

REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS* AND THE UNIFORM GUIDANCE

PREMIER PLAZA
1900 N. 18TH STREET, SUITE 300 | MONROE, LOUISIANA 71201
318.388.3108 (P) | 318.429.2124 (F)

Honorable Kenneth Slocum, Mayor
Members of the Board of Aldermen
Village of Simsboro, Louisiana

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PREFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Simsboro, Louisiana (the Village), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated May 11, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies; therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-003, which we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2025-002, and 2025-004.

Village of Simsboro, Louisiana's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Village's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Village's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Heard, McElroy & Vestal, LLC

Monroe, Louisiana
May 11, 2026

PREMIER PLAZA
1900 N. 18TH STREET, SUITE 300 | MONROE, LOUISIANA 71201
318.388.3108 (P) | 318.429.2124 (F)

Honorable Kenneth Slocum, Mayor
Members of the Board of Alderman
Village of Simsboro, Louisiana

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited The Village of Simsboro, Louisiana's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of The Village of Simsboro, Louisiana's major federal programs for the year ended June 30, 2025. The Village of Simsboro, Louisiana's major federal programs are identified in ITS Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, The Village of Simsboro, Louisiana complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are required to be independent of The Village of Simsboro, Louisiana and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of The Village of Simsboro, Louisiana's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to The Village of Simsboro, Louisiana's federal programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Village of Simsboro, Louisiana's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards,* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about The Village of Simsboro, Louisiana's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding The Village of Simsboro, Louisiana's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of The Village of Simsboro, Louisiana's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of The Village of Simsboro, Louisiana's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Heard, McElroy & Vestal, LLC

Monroe, Louisiana
May 11, 2026

VILLAGE OF SIMSBORO

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2025

Federal Grants/Pass-Through Grantor/Program Title	A.L. Number	Agency or Pass Through Number	Expenditures
United States Environmental Protection Agency			
Passed Through Louisiana Department of Health			
Drinking Water State Revolving Fund	66.468	1061018-01	$ 357,773
Department of Housing and Urban Development			
Community Development Block Grants			
State's Program and Non-Entitlement Grants			
Passed Through Louisiana Office of Community Development			
Sewer Treatment Renovations	14.228	2000727471	635,681
			$ 993,454

See accompanying notes Schedule of Expenditures of Federal Awards.

General: The Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of Village of Simsboro. All federal award programs received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

Basis of Accounting: The Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Federal Indirect Cost Rate: Village of Simsboro did not elect to use the 10% de minimis federal indirect cost rate for the year ended June 30, 2025.

We have audited the financial statements of the governmental activities, business-type and each major fund, and the aggregate remaining fund information of the Village of Simsboro, as of and for the year ended June 30, 2026, which collectively comprise the basic financial statements and have issued our report thereon dated May 11, 2026. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2025 resulted in an unmodified opinion.

Section I **Summary of Auditor's Results**

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control
Material Weakness __X__ yes ____no

Significant Deficiencies not considered to be
Material Weaknesses ____ yes __X__no

Compliance
Noncompliance Material to Financial Statements __X__ yes ____ no

B. Federal Awards

Material Weakness Identified ____ yes __X__no

Significant Deficiencies not considered to be
Material Weaknesses ____ yes __X__ no

Type of Opinion on Compliance for Major Programs
Unmodified __X__ Qualified _____
Disclaimer _____ Adverse ______

Are there findings required to be reported in accordance with Title 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), subpart F? No

C. Identification of Major Programs:

Name of Federal Program (or cluster):

U.S. Housing and Urban Development

– Community Development Block Grant

AL Number 14.228

Dollar threshold used to distinguish between Type A and Type B Programs. $750,000

Is the auditee a "low risk" auditee, as defined by Title 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), subpart F? No

Section II **Financial Statement Findings**

2025-001 Segregation of Duties

Criteria
Good internal control procedures require that an entity separate certain duties by personnel.

Condition
Due to the small number of administrative personnel, the Village did not have adequate segregation of duties.

Cause
The Town cannot afford to hire enough people to separate duties.

Effect
The Town could be susceptible to misuse of its assets or fraud.

Recommendation
The Mayor and/or someone on the Town Council should continue to review bank reconciliations and bank statements each month.

Name of Contact Person
Kenneth Slocum, Mayor

See Corrective Action Plan

2025-002 Unfavorable Budget Variance

Criteria:
Louisiana Revised Statute 39:1311 requires the Village to amend its budget if there is a 5% or greater shortage in actual revenues as compared to budgeted revenues or a 5% or greater overage in actual expenditures as compared to budgeted expenditures.

Condition:
The Village's actual expenditures were higher than budgeted expenditures by greater than 5%.

Cause:
The Village did not account for transfers when budgeting expenditures.

Effect:
The Village is not in compliance with state budget law.

Recommendation:

The Village should review grant revenue classification, review monthly financial statements at council meetings, and make appropriate budget amendments to appropriately plan for expenditures.

Name of Contact Person
Kenneth Slocum, Mayor

See attached corrective action plan

2025-003 Internal Controls Over the Preparation of the Schedule of Expenditures for Federal Awards (SEFA)

Criteria: Uniform Guidance Section 200.510(b) requires that management prepare the SEFA to be used as supplementary information in the audit report of the financial statements. Uniform Guidance Section 200.502(a) requires that the amounts reported in the SEFA to be based on the expenditures of federal awards.

Condition: It was noted during testing of federal expenditures that the town had inadequately prepared the SEFA.

Cause: The village failed to report some expenditures of federal awards on the SEFA

Effect: The Village could have federal expenditures not reported which could result in single audit or other reporting requirements not being met.

Recommendation: The Village should consider improving it internal controls over the preparation of the SEFA.

Name of Contact Person
Kenneth Slocum, Mayor

See attached corrective action plan

2025-004 Compliance with Annual Filing Deadline for the Louisiana Legislative Auditor and the Federal Audit Clearinghouse

Criteria: Louisiana Revised Statute 24:513 requires that all local auditees submit their audited financial statements to the Louisiana Legislative Auditor (LLA) no later than six months after their fiscal year end. The Federal Audit Clearing house requires the audit report to be submitted no later than 9 months after the fiscal year end.

Condition: The audit report was submitted after the statutory deadline.

Cause: The Village did not file its required reports for June 30, 2025, within six and nine months of the end of its fiscal year.

Effect: The Village is not in compliance with Louisiana and federal reporting requirements, which will prevent the village from receiving state funding. In addition, these delays hinder management’s ability to timely address the issues identified in the audit report.

Recommendation: The Village should work with its outside accounting firm to get the financial information ready earlier so that it can be submitted to the Legislative Auditor.

Name of Contact Person**:**

Kenneth Slocum, Mayor

See attached corrective action plan

Section III **Federal Award Findings and Questioned Costs**

None.

2024-001 Inadequate Segregation of Accounting Duties

Condition

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

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.

Current Status: Finding is repeated as 2025-001.

2024-002 Timekeeping Procedures

Criteria: The Village should have proper 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 proper timesheets for all employees.

Cause: The Board of Alderman approved the pay of certain employees and did not require subsequent supporting documentation. They assumed salaried employees did not need to have time sheets 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 for hours worked and get it approved by the Mayor before paychecks are issued.

Current Status: Finding is resolved.

2024-003 Internal Controls Over the Preparation of the Schedule of Expenditures for Federal Awards (SEFA)

Criteria: Uniform Guidance Section 200.510(b) requires that management prepare the SEFA to be used as supplementary information in the audit report of the financial statements. Uniform Guidance Section 200.502(a) requires that the amounts reported in the SEFA be based on the expenditures of federal awards.

Condition: It was noted during testing of the SEFA that there were material amounts not listed that were for expenditures incurred during the year being audited.

Cause: The Village failed to report some expenditures of federal awards on the SEFA.

Effect: The Village could have federal expenditures not reported which could result in single audit or other reporting requirements not being met.

Current Status: Finding repeated as 2025-003

MAYOR
Kenneth Slocum Jr.

CLERK
Pamela Lashley

POLICE CHIEF
Gene Butler

VILLAGE OF SIMSBORO

ALDERMAN
Doug Durrett
Hazel Tuminello
Jerry White

WATER/SEWER OPERATOR
A. J. Swayze
Jim Liner

Corrective Action Plan
5/11/2026

Heard, McElroy, and Vestal, LLC
1900 N 18th St Suite 300
Monroe, Louisiana 71207

The Village of Simsboro respectfully submits the following corrective action plan for the year ended June 30, 2025.

The findings from the Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the numbers assigned in the Schedule.

Section 2: Financial Statement Findings

2025-001: The Village feels that the cost of hiring more staff far exceeds its benefits.
2025-002: The Village will continue to monitor revenues and expenditures throughout the year as compared to budgeted revenues and expenditures and amend budgets in compliance with Louisiana Revised Statute 39:1311.
2025-003: The Village will work to prepare the Schedule of Expenditures of Federal Awards to ensure that it is complete and accurate. .
2025-004: The Village will work with its consulting accounting firm and audit firm to ensure a timely submission of future reports.

Anticipated Completion Date: December 31, 2026

Name of Contact Person Responsible for Corrective Action: Kenneth Slocum, Mayor

Sincerely yours,

Kenneth Slocum, Mayor

2742 Martha Street - P.O. Box 40 Simsboro, LA. 71275 - 318-247-6248

Village of Simsboro

Agreed-Upon Procedures Report
July 1, 2024 through June 30, 2025

CERTIFIED PUBLIC ACCOUNTANTS

PREMIER PLAZA
1900 N. 18TH STREET, SUITE 300 | MONROE, LOUISIANA 71201
318.388.3108 (P) | 318.429.2124 (F)

Village of Simsboro
Simsboro, Louisiana

Louisiana Legislative Auditor
Baton Rouge, Louisiana

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2024, through June 30, 2025. The Village of Simsboro's (the Village) management is responsible for those C/C areas identified in the SAUPs.

The Village has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2024, through June 30, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

   a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

   b) ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

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

   d) ***Receipts/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, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rates of pay or approval and maintenance of pay rate schedules.

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, purchase 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 (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

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

k) ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

l) ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Findings: Sixteen exceptions noted where the entity's policies and procedures did not address required categories and subcategories listed above.

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.

   b) For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds.

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

d) Observe whether the board or finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Findings: *Two exceptions noted. The Village did not include a budget-to-actual comparison for the applicable funds, and the Village did not update the Board on the progress of audit findings.*

Bank Reconciliations

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

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

   b) Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and

   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.

Findings: *Procedure was not performed as the Village was exempt from testing.*

Collections (excluding electronic funds transfers)

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).

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.

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.

c) Each employee responsible for collecting cash is not also 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; and

d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not responsible for collecting cash, unless another employee/official verifies the reconciliation.

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

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.

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

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

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

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

Findings: *Procedure was not performed as the Village was exempt from testing.*

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).

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

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

b) 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.

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.

e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

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

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

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

11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3 above, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g. sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. *Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.*

    Findings: *Procedure was not performed as the Village was exempt from testing.*

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

12. 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.

13. 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, obtain supporting documentation, and:

    a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported); and

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

c) Using the monthly statements or combined statements selected under #13 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Findings: *No exceptions noted.*

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

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

    a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

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

    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).

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

Findings: *Procedure was not performed as the Village was exempt from testing.*

Contracts

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

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

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

c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval).

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.

Findings: *Procedure was not performed as the Village was exempt from testing.*

Payroll and Personnel

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

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

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

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

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

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

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

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Findings: *No exceptions noted.*

Ethics

20. Using the 5 randomly selected employees/officials from procedure #17 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 calendar year as required by R.S. 42:1170; and
    b. Observe that the entity maintains documentation which demonstrates each employee and official was notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
21. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Findings: *Procedure was not performed as the Village was exempt from testing.*

Debt Service

22. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
23. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Findings: *Procedure was not performed as the Village was exempt from testing.*

Fraud Notice

24. 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 as required by R.S. 24:523.
25. 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.

Findings: *Procedure was not performed as the Village was exempt from testing.*

Information Technology Disaster Recovery/Business Continuity

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

a. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

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

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

d. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure 19. Observe evidence that the selected terminated employees have been removed or disabled from the network.

e. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure 17, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:

    1. Hired before June 9, 2020 - completed the training; and
    2. Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

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

Prevention of Sexual Harassment

27. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year, as required by R.S 42:343.

28. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

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

    1. Number and percentage of public servants in the agency who have completed the training requirements;

    2. Number of sexual harassment complaints received by the agency;

3. Number of complaints which resulted in a finding that sexual harassment occurred;
4. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
5. Amount of time it took to resolve each complaint.

Findings: *Two exceptions noted. One employee did not complete one hour of sexual harassment training, and the Village did not file an annual report.*

We were engaged by the Village to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Heard, McElroy & Vestal, LLC

Monroe, Louisiana
May 11, 2026