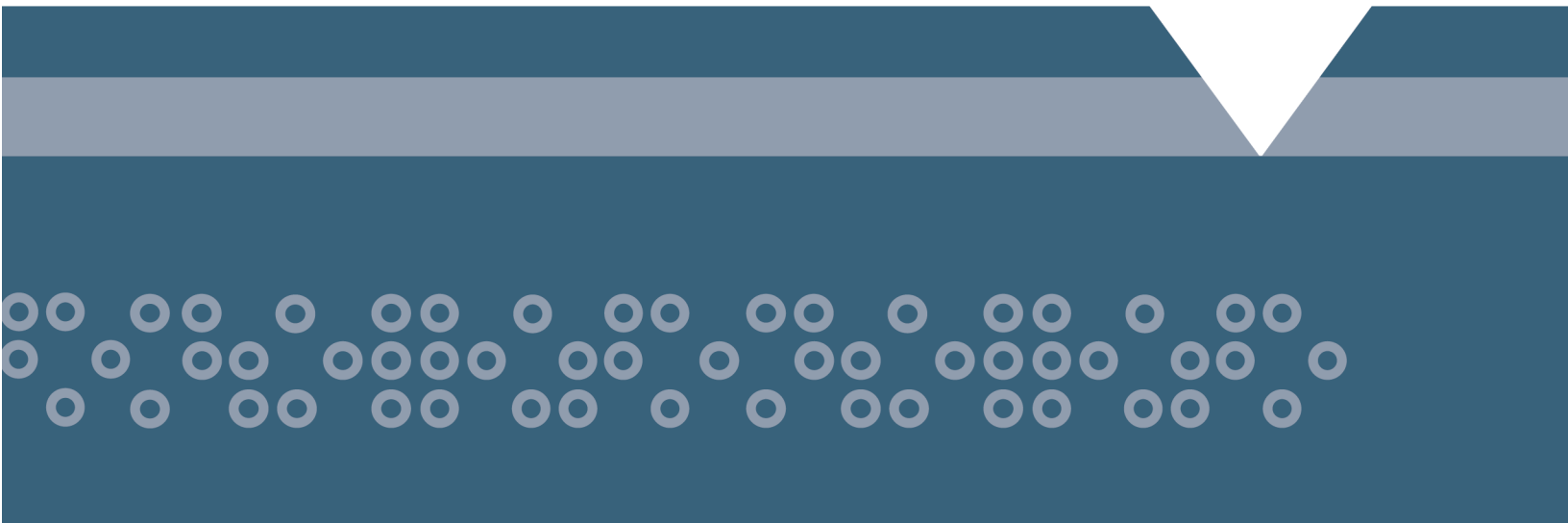


Village of Epps
Epps, Louisiana

December 31, 2024



VILLAGE OF EPPS, LOUISIANA

EPPS, LOUISIANA

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VILLAGE OF EPPS, LOUISIANA

EPPS, LOUISIANA

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PREMIER PLAZA
1900 N. 18TH STREET, SUITE 300 | MONROE, LOUISIANA 71201
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To the Mayor and Board of Aldermen
Village of Epps
Epps, Louisiana

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

We have reviewed the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Epps, Louisiana (the Village), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

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

We are required to be independent of the Village of Epps and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 8 and pages 27 through 29, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The information is the responsibility of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the information and, accordingly, do not express an opinion on such information.

Other Information

The accompanying schedule of compensation, reimbursements, benefits, and other payments to agency head and schedule of compensation paid to elected officials on pages 30 and 31, respectively, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.

The accompanying justice system funding schedule -collecting/disbursing entity on Page 32 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have reviewed the information and, based on my review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with the reporting framework prescribed by Louisiana Revised Statute 24:515.2 and the Louisiana Legislative Auditor. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.

Heard, McElroy & Vestal, LLC

Monroe, LA
July 2, 2025

VILLAGE OF EPPS, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024

As management of the Village of Epps, we offer readers of the Village of Epps' financial statements this narrative overview and analysis of the financial activities of the Village of Epps for the year ended December 31, 2024. It is designed to assist the reader in focusing on significant financial issues, identify changes in the Village's financial position, and identify material deviations and individual fund issues or concerns.

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

Financial Highlights

- The assets of the Village exceeded its liabilities at the close of the fiscal year by \$1,496,289 (net position). Of this amount, \$155,446 (unrestricted net position) represents the portion of net position that is not invested in capital assets or otherwise restricted.
- The government's total net position increased by \$21,870.
- As of the close of the current fiscal year, the Village's governmental activities reported combined ending net position of \$717,890 a decrease of \$38,911 in comparison with the prior year. Of this total amount, \$134,016 is available for spending at the government's discretion (unrestricted net position).

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Village of Epps' basic financial statements. The Village of Epps' basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Village of Epps' finances, in a manner similar to a private-sector business. The statement of net position presents information on all of the Village of Epps' assets and liabilities, with the difference between the two reported as net position may serve as a useful indicator of whether the financial position of the Village of Epps is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the Village of Epps that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of the costs through user fees and

VILLAGE OF EPPS, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024

charges (business-type activities). The governmental activities of the Village of Epps include general government, public safety, sanitation, and public works. The business-type activities of the Village of Epps include water and sewer.

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

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village of Epps, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the Village of Epps can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Village's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village of Epps maintains two governmental funds, which are the General Fund and ARPA fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund. The General Fund and ARPA fund are considered major funds.

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

Proprietary Funds

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

Notes to Financial Statements

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

VILLAGE OF EPPS, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village of Epps' compliance with budgets for its major funds.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village of Epps, assets exceeded liabilities by \$1,469,289, at the close of the most recent fiscal year.

By far the largest amount of the Village of Epps' net assets (\$1,310,469) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Village of Epps uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village of Epps investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

| | Governmental Activities | | Business-Type Activities | | Totals | |
|----------------------------------|--------------------------------|-------------------|---------------------------------|-------------------|---------------------|---------------------|
| | 12/31/2024 | 12/31/2023 | 12/31/2024 | 12/31/2023 | 12/31/2024 | 12/31/2023 |
| Current & Other Assets | \$ 139,931 | \$ 172,878 | \$ 89,664 | \$ 106,360 | \$ 229,595 | \$ 279,238 |
| Capital Assets | 583,874 | 590,295 | 770,831 | 648,322 | 1,354,705 | 1,238,617 |
| Total Assets | <u>\$ 723,805</u> | <u>\$ 763,173</u> | <u>\$ 860,495</u> | <u>\$ 754,682</u> | <u>\$ 1,584,300</u> | <u>\$ 1,517,855</u> |
| Current & Other Liabilities | \$ 5,915 | \$ 6,372 | \$ 51,430 | \$ 48,845 | \$ 57,345 | \$ 55,217 |
| Long-Term Liabilities | - | - | 30,666 | 44,236 | 30,666 | 44,236 |
| Total Liabilities | <u>\$ 5,915</u> | <u>\$ 6,372</u> | <u>\$ 82,096</u> | <u>\$ 93,081</u> | <u>\$ 88,011</u> | <u>\$ 99,453</u> |
| Net Position: | | | | | | |
| Net Investment in Capital Assets | \$ 583,874 | \$ 590,295 | \$ 726,595 | \$ 591,304 | \$ 1,310,469 | \$ 1,181,599 |
| Restricted | - | - | 30,374 | 26,642 | 30,374 | 26,642 |
| Unrestricted | 134,016 | 166,506 | 21,430 | 43,655 | 155,446 | 210,161 |
| Total Net Position | <u>\$ 717,890</u> | <u>\$ 756,801</u> | <u>\$ 778,399</u> | <u>\$ 661,601</u> | <u>\$ 1,496,289</u> | <u>\$ 1,418,402</u> |

The balance of \$134,016 in unrestricted net position in the governmental activities represents the accumulated results of all past year's operations. Net position increased by \$21,870 overall from the prior year. The changes in net position are discussed later in this MD&A.

VILLAGE OF EPPS, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024

Governmental-Activities

Governmental activities decreased the Village of Epps' net position by \$38,911. Key elements of the changes in net position are as follows:

| | <u>Governmental Activities</u> | | <u>Business Type Activities</u> | | <u>Total</u> | |
|-------------------------------------|--------------------------------|--------------------|---------------------------------|-------------------|-------------------|--------------------|
| | <u>12/31/2024</u> | <u>12/31/2023</u> | <u>12/31/2024</u> | <u>12/31/2023</u> | <u>12/31/2024</u> | <u>12/31/2023</u> |
| Revenues | | | | | | |
| Program Revenues | | | | | | |
| Charges for Services | \$ 52,010 | \$ 34,481 | \$ 175,730 | \$ 188,846 | \$ 227,740 | \$ 223,327 |
| Grants and Contributions | 15,274 | 26,904 | 116,570 | 22,828 | 131,844 | 49,732 |
| General Revenues | | | | | - | |
| Property Taxes | 18,360 | 16,945 | - | - | 18,360 | 16,945 |
| Franchise Taxes | 10,730 | 8,800 | - | - | 10,730 | 8,800 |
| Sales Taxes | 27,677 | 28,069 | - | - | 27,677 | 28,069 |
| Other Revenues | 27,271 | 7,677 | 102 | 85 | 27,373 | 7,762 |
| Total Revenues | 151,322 | 122,876 | 292,402 | 211,759 | 443,724 | 334,635 |
| Expenses | | | | | | |
| General Government | 77,076 | 42,839 | - | - | 77,076 | 42,839 |
| Public Safety | 40,415 | 70,670 | - | - | 40,415 | 70,670 |
| Public Works | 31,444 | 22,750 | - | - | 31,444 | 22,750 |
| Water and Sewer | - | - | 272,919 | 259,513 | 272,919 | 259,513 |
| Total Expenses | 148,935 | 136,259 | 272,919 | 259,513 | 421,854 | 395,772 |
| Increase (Decrease) in Net Position | | | | | | |
| Before Transfers | 2,387 | (13,383) | 19,483 | (47,754) | 21,870 | (61,137) |
| Transfers | (41,298) | (60,900) | 41,298 | 60,900 | - | - |
| Increase (Decrease) in Net Position | <u>\$ (38,911)</u> | <u>\$ (74,283)</u> | <u>\$ 60,781</u> | <u>\$ 13,146</u> | <u>\$ 21,870</u> | <u>\$ (61,137)</u> |

Expenses are classified by functions/programs. Public Safety accounts for approximately \$40,000 while general government and public works accounts for approximately \$108,000 for the fiscal year 2024. The related program revenues for the fiscal year 2024 directly related to these expenses totaled approximately \$77,000 which resulted in net program expenses of approximately \$81,000. The remaining balance of expenses represents the cost to the taxpayers. The costs of governmental activities exceeding restricted state and federal grants are paid primarily from the following sources:

- Franchise, ad valorem tax and sales tax revenues are the largest and most significant source of revenue for the Village of Epps. It provides approximately \$57,000 of general fund revenues.
- Licenses and Permits are the second largest revenue source to the Village, generating approximately \$25,000 of general fund revenues.

Business-Type Activities

Business-type activities increased the Village of Epps' net position by approximately \$60,000. The increase was primarily due to an increase in grant revenue for new projects.

Financial Analysis of the Government's Funds

As noted earlier, the Village of Epps uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the Village of Epps' governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is

VILLAGE OF EPPS, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024

useful in assessing the Village of Epps' financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Village of Epps' governmental funds reported a combined ending fund balance of \$134,016 a decrease of \$32,490 in comparison with the prior year. Of this total amount \$112,114 is restricted, and \$21,902 constitutes unassigned fund balance, which is available for spending at the Village's discretion.

General Fund Budgetary Highlights

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

The General Fund actual revenues had a favorable variance of \$1,693 compared to budgeted revenues. Actual expenditures were less than budgeted by \$1,254 mainly because capital outlay costs increased more than anticipated during the year.

Capital Asset and Debt Administration

Capital Assets. The Village of Epps' investment in capital assets for its governmental and business type activities as of December 31, 2024, amounts to \$1,354,705 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, and street improvements.

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

Village of Epps Capital Assets

| | <u>12/31/2024</u> | <u>12/31/2023</u> |
|-------------------------------|--------------------|--------------------|
| Land | \$ 158,000 | \$ 158,000 |
| Buildings and Improvements | 476,198 | 476,197 |
| Vehicles and Equipment | 454,197 | 303,191 |
| Infrastructure | 473,961 | 473,961 |
| Water and Sewer System | <u>3,055,873</u> | <u>3,014,575</u> |
| Total | 4,618,229 | 4,425,924 |
| Less Accumulated Depreciation | <u>(3,263,524)</u> | <u>(3,187,307)</u> |
| Total Capital Assets | \$1,354,705 | \$1,238,617 |

Village of Epps Outstanding Debt

| | <u>12/31/2024</u> | <u>12/31/2023</u> |
|---------------|-------------------|-------------------|
| Revenue Bonds | \$ 44,236 | \$ 57,018 |

VILLAGE OF EPPS, LOUISIANA
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2024

Economic Factors and Next Year’s Budget

Factors considered in preparing the Village of Epps’ budget for the 2025 fiscal year included the impact that sales tax revenue should increase with a small increase to tax. Also, water revenue should increase with an increase to water and sewer rates. With current economic conditions, property tax revenue is projected to remain flat for the next fiscal year. All other revenues should remain fairly constant.

Requests for Information

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

VILLAGE OF EPPS, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2024

| | PRIMARY GOVERNMENT | | |
|--|------------------------------------|-------------------------------------|---------------------|
| | Governmental Activities | Business-Type Activities | Total |
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 22,316 | \$ 133,209 | \$ 155,525 |
| Receivables, Net of Allowance | 5,501 | 15,341 | 20,842 |
| Restricted Cash | - | 53,228 | 53,228 |
| Due to/from (net) | 112,114 | (112,114) | - |
| Capital Assets (net) | 583,874 | 770,831 | 1,354,705 |
| TOTAL ASSETS | \$ 723,805 | \$ 860,495 | \$ 1,584,300 |
| LIABILITIES | | | |
| Accounts, Salaries, and Other Payables | \$ 5,915 | \$ 6,369 | \$ 12,284 |
| Customer Deposits | - | 31,059 | 31,059 |
| Accrued Interest Payable | - | 432 | 432 |
| Bonds Payable, Current Portion | - | 13,570 | 13,570 |
| Total Current Liabilities | 5,915 | 51,430 | 57,345 |
| Bonds Payable, long-term portion | - | 30,666 | 30,666 |
| TOTAL LIABILITIES | 5,915 | 82,096 | 88,011 |
| NET POSITION | | | |
| Net Investment in Capital Assets | 583,874 | 726,595 | 1,310,469 |
| Restricted for | | | |
| Debt Service | - | 30,374 | 30,374 |
| Unrestricted | 134,016 | 21,430 | 155,446 |
| TOTAL NET POSITION | \$ 717,890 | \$ 778,399 | \$ 1,496,289 |

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

VILLAGE OF EPPS, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

| | | Program Revenues | | Net (Expenses) Revenue | Net (Expense) Revenue and Changes in Net Position of Primary Government | | |
|--|-------------------|-------------------------|--|------------------------------|--|-----------------------------|---------------------|
| | | Charges for Services | Operating Grants and Contributions | | Governmental Activities | Business-Type Activities | Total |
| Functions/Programs | Expenses | | | | | | |
| Governmental Activities | | | | | | | |
| General Government | \$ 77,076 | \$ 46,473 | \$ - | \$ 15,274 | \$ (15,329) | \$ - | \$ (15,329) |
| Public Safety | 40,415 | 5,537 | - | - | (34,878) | - | (34,878) |
| Public Works | 31,444 | - | - | - | (31,444) | - | (31,444) |
| Total Governmental Activities | 148,935 | 52,010 | - | 15,274 | (81,651) | - | (81,651) |
| Business-Type Activities: | | | | | | | |
| Water and Sewer | 272,919 | 175,730 | - | 116,570 | 19,381 | 19,381 | 19,381 |
| Total Primary Government | <u>\$ 421,854</u> | <u>\$ 227,740</u> | <u>\$ -</u> | <u>\$ 131,844</u> | <u>\$ (62,270)</u> | <u>19,381</u> | <u>(62,270)</u> |
| General Revenues: | | | | | | | |
| Property Taxes | | | | | 18,360 | - | 18,360 |
| Franchise Taxes | | | | | 10,730 | - | 10,730 |
| Sales Taxes | | | | | 27,677 | - | 27,677 |
| Interest Income | | | | | - | 102 | 102 |
| Other Revenues | | | | | 27,271 | - | 27,271 |
| Transfers | | | | | (41,298) | 41,298 | - |
| Total General Revenues and Transfers | | | | | 42,740 | 41,400 | 84,140 |
| Change in Net Position | | | | | (38,911) | 60,781 | 21,870 |
| Net Position - Beginning (Restated) | | | | | 756,801 | 717,618 | 1,474,419 |
| Net Position - Ending | | | | | <u>\$ 717,890</u> | <u>\$ 778,399</u> | <u>\$ 1,496,289</u> |

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

VILLAGE OF EPPS, LOUISIANA

BALANCE SHEET

GOVERNMENTAL FUNDS

DECEMBER 31, 2024

| | Major Funds | | Total |
|--|------------------|-------------------|-------------------|
| | General | ARPA | Governmental |
| | Fund | Fund | Funds |
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 22,316 | \$ - | \$ 22,316 |
| Receivables | | | |
| Ad Valorem Taxes - Net | 3,633 | - | 3,633 |
| Sales Taxes | 1,868 | - | 1,868 |
| Due from Other Funds | - | 112,114 | 112,114 |
| TOTAL ASSETS | \$ 27,817 | \$ 112,114 | \$ 139,931 |
| LIABILITIES | | | |
| Accounts Payable | \$ 3,858 | \$ - | \$ 3,858 |
| Payroll Liabilities | 2,057 | - | 2,057 |
| TOTAL LIABILITIES | \$ 5,915 | \$ - | \$ 5,915 |
| FUND BALANCES | | | |
| Restricted | \$ - | \$ 112,114 | \$ 112,114 |
| Unassigned | 21,902 | - | 21,902 |
| Total Fund Balances | 21,902 | 112,114 | 134,016 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 27,817 | \$ 112,114 | \$ 139,931 |

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

VILLAGE OF EPPS, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2024

| | |
|----------------------------------|------------|
| Total Governmental Fund Balances | \$ 134,016 |
|----------------------------------|------------|

*Amounts reported for governmental activities
in the statement of net position are different
because:*

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

| |
|----------------|
| <u>583,874</u> |
|----------------|

| |
|---|
| Net Position of Governmental Activities |
|---|

| |
|--------------------------|
| <u><u>\$ 717,890</u></u> |
|--------------------------|

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

VILLAGE OF EPPS, LOUISIANA

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

FOR THE YEAR ENDED DECEMBER 31, 2024

| | Major Funds | | Total Governmental Funds |
|--|------------------|-------------------|--------------------------------|
| | General Fund | ARPA Fund | |
| Revenues | | | |
| Taxes: | | | |
| Franchise Tax | \$ 10,730 | \$ - | \$ 10,730 |
| Ad Valorem Tax | 18,360 | - | 18,360 |
| Sales Tax | 27,677 | - | 27,677 |
| Licenses and Permits | 25,216 | - | 25,216 |
| Intergovernmental Revenues: | 15,274 | - | 15,274 |
| Rent | 21,257 | - | 21,257 |
| Fines and Tickets | 5,537 | - | 5,537 |
| Proceeds from Insurance Claim | 33,427 | - | 33,427 |
| Other Revenues | 393 | - | 393 |
| Total Revenues | <u>157,871</u> | <u>-</u> | <u>157,871</u> |
| Expenditures | | | |
| General Government | 77,076 | - | 77,076 |
| Public Safety and Protection | 40,543 | - | 40,543 |
| Capital Outlay | 31,444 | - | 31,444 |
| Total Expenditures | <u>149,063</u> | <u>-</u> | <u>149,063</u> |
| Excess (Deficiency) of Revenues Over Expenditures | 8,808 | - | 8,808 |
| Other Financing Sources and (Uses) | | | |
| Transfers (Out) | <u>-</u> | <u>(41,298)</u> | <u>(41,298)</u> |
| Net Change in Fund Balance | 8,808 | (41,298) | (32,490) |
| Fund Balances - Beginning | <u>13,094</u> | <u>153,412</u> | <u>166,506</u> |
| FUND BALANCES - ENDING | <u>\$ 21,902</u> | <u>\$ 112,114</u> | <u>\$ 134,016</u> |

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

VILLAGE OF EPPS, LOUISIANA

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

FOR THE YEAR ENDED DECEMBER 31, 2024

| | |
|-------------------------------------|-------------|
| Net Change in Fund Balances - Total | |
| Governmental Funds | \$ (32,490) |

*Amounts reported for governmental activities
in the statement of activities are different
because:*

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

| | | |
|---|-----------------|----------------|
| Capital Asset Purchases Capitalized | 31,444 | |
| Gain on Sale of Asset (Net of Insurance Proceeds) | (6,549) | |
| Depreciation Expense | <u>(31,316)</u> | <u>(6,421)</u> |

| | |
|---|---------------------------|
| Change in Net Position of Governmental Activities | <u><u>\$ (38,911)</u></u> |
|---|---------------------------|

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

VILLAGE OF EPPS, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2024

| | <u>Major Fund</u> <u>Water and</u> <u>Sewer Fund</u> |
|--|--|
| ASSETS | |
| Current Assets | |
| Cash and Cash Equivalents | \$ 133,209 |
| Receivables, Net of Allowance | <u>15,341</u> |
| Total Current Assets | 148,550 |
| Restricted Assets | |
| Cash and Cash Equivalents | 53,228 |
| Non-Current Assets | |
| Capital Assets (net of accumulated depreciation) | <u>770,831</u> |
| Total Assets | <u><u>\$ 972,609</u></u> |
| LIABILITIES | |
| Current Liabilities | |
| Accounts, Salaries, and Other Payables | \$ 6,369 |
| Customer Deposits Refundable | 31,059 |
| Accrued Interest Payable | 432 |
| Due to Other Funds | 112,114 |
| Current Portion of Notes Payable - USDA | <u>13,570</u> |
| Total Current Liabilities | 163,544 |
| Long Term Liabilities | |
| Notes Payable - USDA | <u>30,666</u> |
| Total Liabilities | 194,210 |
| NET POSITION | |
| Net Investment in Capital Assets | 726,595 |
| Restricted | |
| Debt Service | 15,181 |
| Depreciation and Contingency | 15,193 |
| Unrestricted | <u>21,430</u> |
| Total Net Position | <u><u>\$ 778,399</u></u> |

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

VILLAGE OF EPPS, LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

| | Major Fund Water and Sewer Enterprise Fund |
|---|---|
| Operating Revenues | |
| Charges for Services: | |
| Water and Sewer | \$ 175,730 |
| Operating Expenses | |
| Operations | 149,262 |
| Maintenance and Repairs | 49,307 |
| Depreciation | 71,088 |
| Total Operating Expenses | <u>269,657</u> |
| Operating Income (Loss) | (93,927) |
| Nonoperating Income (Expense) | |
| Interest Income | 102 |
| Interest Expense | (3,262) |
| Grant Income | 116,570 |
| Total Nonoperating Income (Expense) | <u>113,410</u> |
| Income (Loss) Before Contributions and Transfers | 19,483 |
| Capital Contributions and Transfers | |
| Transfers In | <u>41,298</u> |
| Change in Net Position | 60,781 |
| Net Position - Beginning (Restated) | <u>717,618</u> |
| Net Position - Ending | <u><u>\$ 778,399</u></u> |

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

VILLAGE OF EPPS, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

| | Water and Sewer Enterprise Fund |
|--|------------------------------------|
| Cash Flows from Operating Activities | |
| Receipts from Customers and Users | \$ 169,417 |
| Payments to Suppliers | (178,124) |
| Payments to Employees for Services and Benefits | (20,482) |
| Net Cash Used In Operating Activities | <u>(29,189)</u> |
| Cash Flows from Noncapital Financing Activities | |
| Decrease in Interfund Payables | (42,908) |
| Increase in Customer Deposits | 1,645 |
| Transfers From Other Funds | 41,298 |
| Net Cash Flows Provided by Noncapital Financing Activities | <u>35</u> |
| Cash Flows from Capital and Related Financing Activities | |
| Acquisition of Capital Assets | (193,597) |
| Capital Grant | 172,587 |
| Principal Paid on Debt | (12,782) |
| Interest Paid on Debt | (3,073) |
| Net Cash Flows used in Capital and Related Financing Activities | <u>(36,865)</u> |
| Cash Flows from Investing Activities | |
| Interest Received | <u>102</u> |
| Net Decrease in Cash and Cash Equivalents | (65,917) |
| Cash and Cash Equivalents, Beginning of the Year | <u>252,354</u> |
| Cash and Cash Equivalents, At End of Year | <u><u>\$ 186,437</u></u> |
| Shown on the Accompanying Statement of Net Position as: | |
| Cash | \$ 133,209 |
| Restricted Assets - Cash | 53,228 |
| Total Cash | <u><u>\$ 186,437</u></u> |
| Reconciliation of Operating Loss to Net Cash Provided by Operating Activities | |
| Operating Loss | \$ (93,927) |
| Adjustments to Reconcile Net Loss to Net Cash Provided by (used in) | |
| Operating Activities | |
| Depreciation Expense | 71,088 |
| Increase in Accounts Receivable | (6,313) |
| Decrease in Accounts Payable | (37) |
| Total Adjustments | <u>64,738</u> |
| Net Cash Used in Operating Activities | <u><u>\$ (29,189)</u></u> |

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

VILLAGE OF EPPS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Introduction

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

GASB Statement No. 14, The Reporting Entity, and No. 39, Determining Whether Certain Organizations Are Components Units—an amendment of GASB Statement No 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under the provisions of this Statement, the Village is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No 14 and 39, fiscally independent means that the Village may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The Village of Epps has no component units as of December 31, 2024.

1. Summary of Significant Accounting Policies

(a) Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

(b) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

VILLAGE OF EPPS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

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

The Village reports the following major governmental funds:

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

The American Rescue Plan Act is primarily used for the Village's ongoing capital projects.

The Village reports the following major proprietary fund:

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

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

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

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

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

VILLAGE OF EPPS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

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

(c) *Deposits and Investments*

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

(d) *Receivables*

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

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

(e) *Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Approximately 90 percent of the Village's capital assets have been capitalized at cost and the remaining 10 percent have been capitalized at estimated cost based on the historical cost of similar assets. The Village maintains a threshold level of \$1,000 or more capitalizing capital assets.

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the

VILLAGE OF EPPS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The Village had no interest to capitalize under construction.

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

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

(f) *Compensated Absences*

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

(g) *Long-Term Obligations*

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

(h) *Deferred Inflows of Resources*

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

(i) *Net Position/Fund Balance*

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

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

VILLAGE OF EPPS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

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

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

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

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—committed, assigned and unassigned—in order as needed.

(j) Estimates

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

2. Stewardship, Compliance, and Accountability

Budget Information. The Village uses the following budget practices:

A proposed budget for the General Fund, prepared on the modified accrual basis of accounting is normally presented to the board of aldermen in December each year. The budget is legally adopted by the board of aldermen and amended during the year, as necessary. Budgets are established and controlled by the board at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. There was one budget amendment during the year ended December 31, 2024.

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

VILLAGE OF EPPS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

3. Cash and Cash Equivalents

At December 31, 2024, the Village had cash and cash equivalents (book balances) totaling \$208,753 as follows:

| | General Fund | Water and Sewer Fund | Totals |
|-----------------|------------------|-------------------------|-------------------|
| Demand Deposits | \$ 22,174 | \$ 186,437 | \$208,611 |
| Cash on Hand | 142 | - | 142 |
| | <u>\$ 22,316</u> | <u>\$ 186,437</u> | <u>\$ 208,753</u> |

Custodial Credit Risk – Deposits. The custodial credit risk is the risk that in the event of a bank failure, the Village’s deposits may not be returned to it. The Village’s policy to ensure there is not exposure to this risk is to require the financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage. Accordingly, the Village had no custodial credit risk related to its deposits at December 31, 2024.

These deposits are stated at cost, which approximates market value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance, or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually accepted to both parties.

At December 31, 2024, the Village had \$208,611 in deposits (collected bank balances). These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. These securities are held in the name of the pledging bank in a holding or custodial bank that is mutually accepted to both parties. Guaranty Bank had a pledged security with a face and market value of \$100,000. Cash, cash equivalents (bank balances), at December 31, 2024 are secured as follows:

| | |
|---------------------------|--------------------------|
| Bank Balances | <u>\$ 208,611</u> |
| Federal Deposit Insurance | <u>208,611</u> |
| Secured Balance | <u><u>\$ 208,611</u></u> |

4. Receivables

The receivables of \$20,842 at December 31, 2024 are as follows:

| Class of Receivable | General Fund | Water and Sewer Fund | Totals |
|----------------------|-----------------|-------------------------|------------------|
| Property Taxes | \$ 3,633 | \$ - | \$ 3,633 |
| Sales Taxes | 1,868 | - | 1,868 |
| Charges for Services | - | 15,341 | 15,341 |
| | <u>\$ 5,501</u> | <u>\$ 15,341</u> | <u>\$ 20,842</u> |

VILLAGE OF EPPS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

5. Capital Assets

Capital Assets and depreciation activity as of and for the year ended December 31, 2024 for the primary government is as follows:

| | Balance 12/31/2023 | Additions | Deletions | Balance 12/31/2024 |
|--|-----------------------|-----------|-----------|-----------------------|
| Government Activities: | | | | |
| Non-Depreciable Assets: | | | | |
| Land | \$ 129,000 | \$ - | \$ - | \$ 129,000 |
| Depreciable Assets: | | | | |
| Buildings & Improvements | 464,963 | - | - | 464,963 |
| Vehicles & Equipment | 249,122 | 31,444 | 32,737 | 247,829 |
| Street Improvements | 473,961 | - | - | 473,961 |
| Total Capital Assets Being Depreciated | 1,188,046 | 31,444 | 32,737 | 1,186,753 |
| Less Accumulated Depreciation | (726,751) | (31,316) | (26,188) | (731,879) |
| Total Capital Assets Being Depreciated, net | 461,295 | 128 | 6,549 | 454,874 |
| Total Governmental Activities Capital Assets, net | 590,295 | 128 | 6,549 | 583,874 |
| Business-Type Activities: | | | | |
| Non-Depreciable Assets: | | | | |
| Land | \$ 29,000 | \$ - | \$ - | \$ 29,000 |
| Construction in Process | 60,900 | 38,100 | - | 99,000 |
| Depreciable Assets: | | | | |
| Water & Sewer Systems and Improvements | 2,953,675 | 3,198 | - | 2,956,873 |
| Building | 11,235 | - | - | 11,235 |
| Equipment | 54,069 | 152,299 | - | 206,368 |
| Total Capital Assets Being Depreciated | 3,018,979 | 155,497 | - | 3,174,476 |
| Less Accumulated Depreciation | (2,460,557) | (71,088) | - | (2,531,645) |
| Total Capital Assets Being Depreciated, net | 558,422 | 84,409 | - | 642,831 |
| Total Business-Type Activities Capital Assets, net | 648,322 | 122,509 | - | 770,831 |

Depreciation expense of \$31,316 was charged to the general government functions and \$71,088 was charged to the water and sewer business-type activities function for the year ended December 31, 2024.

6. Interfund Receivables/Payables

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

At December 31, 2024, there was \$112,114 in interfund receivables and payables between the funds.

VILLAGE OF EPPS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

7. Long-Term Obligations

The following is a summary of the long-term obligation activity for the year ended December 31, 2024:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balance</u> | <u>Due within One Year</u> |
|--------------------------|------------------------------|------------------|------------------|---------------------------|--------------------------------|
| Business Type Activities | | | | | |
| Water and Sewer | | | | | |
| Revenue Bonds Payable | \$ 57,018 | \$ - | \$ (12,782) | \$ 44,236 | \$ 13,570 |

The Village issued revenue bonds in the original amount of \$237,000 to the United States Department of Agriculture (USDA), Farmers Home Administration, for the purpose of constructing a Water and Waste Disposal System. This bond, originally issued on April 5, 1988, bears an interest rate of 6.0% and matures on December 31, 2027. As of December 31, 2024, the outstanding principal balance is \$44,236. Interest expense of \$3,073 related to this bond was charged to the Water and Sewer Fund, which is reported as a business-type activity.

The bond matures according to the following schedule:

| | <u>Principal Payments</u> | <u>Interest Payments</u> |
|--------------------------|-------------------------------|------------------------------|
| Year ending December 31, | | |
| 2025 | \$ 13,570 | \$ 2,285 |
| 2026 | 14,407 | 1,448 |
| 2027 | 16,259 | 559 |
| Total | <u>\$ 44,236</u> | <u>\$ 4,292</u> |

8. Bond Covenant Requirements

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

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

VILLAGE OF EPPS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Debt Service Reserve Fund:

| | |
|-----------------------------------|-------------------------|
| Balance, beginning of year | \$ 13,314 |
| Transfer from unreserved position | <u>1,867</u> |
| Balance, end of year | <u><u>\$ 15,181</u></u> |

Contingency Fund:

| | |
|-----------------------------------|-------------------------|
| Balance, beginning of year | \$ 13,329 |
| Transfer from unreserved position | <u>1,864</u> |
| Balance, end of year | <u><u>\$ 15,193</u></u> |

9. Retirement System

Due to the financial condition of the Village, and due to high employee turnover, no employees are currently participating in any retirement system.

10. Risk Management and Contingent Liabilities

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

11. Prior Period Adjustment – Grant Revenue

During the year ended December 31, 2024, it was determined that certain grant funding received in a prior period had not been recognized as revenue in 2023. As a result, the beginning net position of the proprietary funds as of January 1, 2024, was restated to reflect the correction of this revenue recognition. This restatement increased the beginning net position of the proprietary funds by \$56,017 with a corresponding increase in previously unrecognized revenue. This adjustment has no impact on current year operations.

12. Subsequent Events

On May 23, 2025, subsequent to year-end, the Village entered into a lease-purchase agreement with Government Capital Corporation for the acquisition of sewer oxidation plant equipment. The total principal amount of the agreement is \$312,884, with an interest rate of 6.862% and a term of 10 years.

Under the terms of the lease-purchase agreement, the Village will make monthly payments of \$3,610, beginning on July 5, 2025. Title to the leased assets will transfer to the Village upon completion of all payments.

This agreement was entered into after the close of the reporting period and is not reflected in the accompanying financial statements. Management evaluated subsequent events through July 2, 2025, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF EPPS, LOUISIANA
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

| | Budgeted Amounts | | Actual | Variance With Final Budget Favorable (Unfavorable) |
|--|------------------|-----------------|------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Franchise Tax | \$ 8,800 | \$ 10,800 | \$ 10,730 | \$ (70) |
| Ad Valorem Tax | 17,200 | 17,200 | 18,360 | 1,160 |
| Sales Tax | 28,000 | 27,655 | 27,677 | 22 |
| Licenses and Permits | 23,500 | 25,923 | 25,216 | (707) |
| Intergovernmental Revenues: | | | | |
| State Funds: | | | | |
| Grant | 26,000 | 12,710 | 15,274 | 2,564 |
| Fines and Tickets | 4,000 | 4,100 | 5,537 | 1,437 |
| Rent | 19,000 | 20,000 | 21,257 | 1,257 |
| Other Revenues | 6,130 | 37,790 | 33,820 | (3,970) |
| Total Revenues | 132,630 | 156,178 | 157,871 | 1,693 |
| Expenditures | | | | |
| General Government | 84,350 | 77,475 | 77,076 | 399 |
| Public Safety and Protection | 37,100 | 39,842 | 40,543 | (701) |
| Capital Outlay | - | 33,000 | 31,444 | 1,556 |
| Total Expenditures | 121,450 | 150,317 | 149,063 | 1,254 |
| Excess (Deficiency) of Revenues Over Expenditures | 11,180 | 5,861 | 8,808 | 2,947 |
| Net Change in Fund Balance | 11,180 | 5,861 | 8,808 | 2,947 |
| Fund Balance at Beginning of Year | 13,094 | - | 13,094 | 13,094 |
| Fund Balance at End of Year | \$ 24,274 | \$ 5,861 | \$ 21,902 | \$ 16,041 |

See accompanying notes to budgetary comparison schedules and independent accountant's review report.

VILLAGE OF EPPS, LOUISIANA
BUDGETARY COMPARISON SCHEDULE – ARPA FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

| | Budgeted Amounts | | Actual | Variance With Final Budget Favorable (Unfavorable) |
|--|------------------|-------------|-------------------|--|
| | Original | Final | | |
| Revenues | | | | |
| Federal Grants | \$ - | \$ - | \$ - | \$ - |
| Total Revenues | - | - | - | - |
| Expenditures | | | | |
| Other | - | - | - | - |
| Total Expenditures | - | - | - | - |
| Excess (Deficiency) of Revenues Over Expenditures | - | - | - | - |
| Other Financing Sources and (Uses) | | | (41,298) | (41,298) |
| Net Change in Fund Balance | - | - | (41,298) | (41,298) |
| Fund Balance at Beginning of Year | - | - | 153,412 | 153,412 |
| Fund Balance at End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 112,114</u> | <u>\$ 112,114</u> |

See accompanying notes to budgetary comparison schedules and independent accountant's review report.

VILLAGE OF EPPS, LOUISIANA
NOTES TO THE BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2024

The Village uses the following budget practices:

A proposed budget for the General Fund, prepared on the modified accrual basis of accounting, is normally presented to the board of aldermen in December each year. The budget is legally adopted by the board of aldermen and amended during the year, as necessary. Budgets are established and controlled by the board at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. The budget was amended during the year ended December 31, 2024.

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

SUPPLEMENTARY INFORMATION

VILLAGE OF EPPS, LOUISIANA
SCHEDULE OF COMPENSATION, REIMBURSEMENTS, BENEFITS AND
OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2024

Agency Head: Brittney Clark, Mayor

| | |
|--------|---------|
| Salary | \$4,000 |
|--------|---------|

See independent accountant's review report.

VILLAGE OF EPPS, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO ELECTED OFFICIALS
FOR THE YEAR ENDED DECEMBER 31, 2024

| | |
|-----------------------------------|---------------|
| Alderwoman Savanna Simms | \$ 1,358 |
| Alderwoman Ashley Herrington | 1,270 |
| Alderwoman Tina McCandlish | 1,358 |
| Roosevelt Porter, Chief of Police | <u>17,707</u> |
| | \$ 21,693 |

See independent accountant's review report

VILLAGE OF EPPS, LOUISIANA
JUSTICE SYSTEM FUNDING SCHEDULE – COLLECTING/DISBURSING ENTITY
CASH BASIS PRESENTATION
AS REQUIRED BY LA R.S. 24:515.2
FOR THE YEAR ENDED DECEMBER 31, 2024

| | First Six Month Period Ended 6/30/2024 | Second Six Month Period Ended 12/31/2024 |
|---|---|---|
| Beginning Cash Balance | \$ 834 | \$ 1,833 |
| Collections: | | |
| Criminal Court Costs/Fees | 240 | 200 |
| Criminal Fines - Contempt | 810 | 540 |
| Total Collected | 1,050 | 740 |
| Deductions: | | |
| Disbursements to Other Governments and Nonprofits | | |
| <i>Criminal Court Costs/Fees</i> | | |
| LA Commission on Law Enforcement and Administration of Criminal Justice | 12 | 60 |
| Department of the Treasury, CMIS | 9 | 8 |
| Department of the Treasury, Traumatic Head and Spinal Cord Injury Trust Fund | 30 | 15 |
| Criminalistics Laboratory North Louisiana | - | 100 |
| Total Deductions | 51 | 183 |
| Ending Cash Balance | \$ 1,833 | \$ 2,390 |

OTHER REPORTS

VILLAGE OF EPPS, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2024

2024-01 Inadequate Segregation of Accounting Duties

Criteria

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

Condition

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

Cause

The small size and limited revenues of the Village.

Effect

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

Recommendation

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

Response

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

2024-02 Late Filing of Review Report

Criteria

Louisiana Revised Statute 24:513 requires that all local auditees submit their reviewed financial statements to the Louisiana Legislative Auditor (LLA) no later than six months after their fiscal year end.

Condition

The review report was submitted after the statutory due date.

Cause

Delays in completing engagement documentation and transition of engagement firm.

Effect

The Village is not in compliance with state statute which could prevent the entity from receiving state and federal funds and delay the resolution of any compliance issues and findings identified by the review.

VILLAGE OF EPPS, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2024

Recommendation

Management should initiate the review engagement process earlier to ensure timely completion and submission of the review report.

Response

Our review firm merged with another firm on May 1, which caused delays in transferring records and beginning the review process. Going forward, we will begin the engagement process earlier to ensure compliance with the statutory deadline.

VILLAGE OF EPPS, LOUISIANA
STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2024

2023-01 Inadequate Segregation of Accounting Duties

Condition Found

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

Effect

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

Recommendation to Prevent Future Occurrences

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

Current Status

The finding was repeated as finding 2024-01.

2023-02 Compliance with Local Government Budget Act

Condition

For the year ended December 31, 2023, the Village's General Fund actual expenditures exceeded its budgeted expenditures by more than 5%.

Effect

The Village was not in compliance with the Local Government Budget Act.

Recommendation to Prevent Future Occurrences

The Village should monitor the budget so that it can be amended as needed. The contracted accounting firm should assist the Village with budget amendments.

Current Status

This finding has been resolved. The Village consistently monitored expenditures throughout the year and remained within 5% of the approved budget.



PREMIER PLAZA
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318.388.3108 (P) | 318.429.2124 (F)

**INDEPENDENT ACCOUNTANT’S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

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

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the Village of Epps (the Village) and the Louisiana Legislative Auditor, on the Village’s compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2024, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Village is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Public Bid Law

1. Obtain documentation for all expenditures made during the year for material and supplies exceeding \$60,000, and public works exceeding \$250,000. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1755 (the state procurement code) or R.S.38:2211-2296 (the public bid law), whichever is applicable; and report whether the expenditures were made in accordance with these laws.

The Village had no expenditures for materials and supplies exceeding \$60,000 and no expenditures exceeding \$250,000 for public works.

Code of Ethics for Public Officials and Public Employees

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

Management provided me with the requested information.

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

Management provided me with the requested information.

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

No names appeared on both lists provided in #3 and #2.

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

No names appeared on both lists.

Budgeting

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

Management provided me with the requested information.

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

We traced adoption of the original budget to the minutes.

- 8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.**

Budget to actual did not exceed 5% or more.

Accounting and Reporting

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

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

Meetings

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

Management represented that meeting agendas were posted as required by R.S. 42:11 through 42:28.

Debt

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

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

Advances and Bonuses

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

Scanned board meeting minutes and payroll disbursements and found no evidence of payments or approval of payments that would constitute bonuses, advances or gifts.

State Audit Law

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

The village's review report was submitted after the due date.

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

N/A

Village of Epps
Epps, Louisiana
July 2, 2025

Prior-Year Comments

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

Our prior year report dated July 1, 2024 included an exception for unfavorable budget variances and this exception we corrected in the year ended December 31, 2024.

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 the standards applicable to attestation engagements contained in Government Auditing Standards, issued by the United States Comptroller General. 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 the Village's compliance with the foregoing matters. 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 my other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

The purpose of this report is solely to describe the scope of testing performed on the Village's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Heard, McElroy & Vestal, LLC

Monroe, LA
July 2, 2025

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

6/10/2025

Heard, McElroy, and Vestal, LLC

333 Texas St. #1525

Shreveport, LA 71101

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of 12/31/2024 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Public Bid Law

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

Yes [☒] No [] N/A []

Code of Ethics for Public Officials and Public Employees

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

Yes [☒] No [] N/A []

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

Yes [☒] No [] N/A []

Budgeting

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

Yes [☒] No [] N/A []

Accounting and Reporting

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

Yes [☒] No [] N/A []

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

Yes [☒] No [] N/A []

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

Yes [☒] No [] N/A []

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

Yes [☒] No [] N/A []

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

Yes ☒ No ☐ N/A ☐

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

Yes ☒ No ☐ N/A ☐

Meetings

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

Yes ☒ No ☐ N/A ☐

Debt

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

Yes ☒ No ☐ N/A ☐

Advances and Bonuses

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

Yes ☒ No ☐ N/A ☐

Prior-Year Comments

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

Yes ☒ No ☐ N/A ☐

General

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

Yes ☒ No ☐ N/A ☐

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

Yes ☒ No ☐ N/A ☐

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

Yes ☒ No ☐ N/A ☐

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

Yes ☒ No ☐ N/A ☐

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

Yes ☒ No ☐ N/A ☐

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

Yes ☒ No ☐ N/A ☐

We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others concerning noncompliance with the foregoing laws

and regulations, including communications received during the period under examination; and will disclose to you any such communication received between the end of the period under examination and the date of your report.

Yes [☒] No [] N/A []

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

Yes [☒] No [] N/A []

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

| | | | |
|-------------------------|-----------|-----------------|------|
| <u>Michael J. Bogen</u> | Secretary | <u>10-10-25</u> | Date |
| <u>Deanna James</u> | Treasurer | <u>06-10-25</u> | Date |
| <u>Bruce W. Clark</u> | President | <u>10-10-25</u> | Date |