Village of Richmond
Richmond, Louisiana

Annual Financial Statements
As of and for the Year Ended June 30, 2025

CERTIFIED PUBLIC
ACCOUNTANTS

VILLAGE OF RICHMOND

RICHMOND, LOUISIANA

FOR THE YEAR ENDED JUNE 30, 2025

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VILLAGE OF RICHMOND

RICHMOND, LOUISIANA

FOR THE YEAR ENDED JUNE 30, 2025

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

Honorable Preston Walker, Mayor
Members of the Board of Aldermen
Village of Richmond, 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, business-type activities, and each major fund of the Village of Richmond, 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 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, business-type activities and each major fund of the Village 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 these 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'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 judgment 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'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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village'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 and budgetary comparison information on pages 4-8 and 26-27, 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, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The accompanying schedules of compensation, reimbursements, benefits and other payments to agency head and compensation paid to elected officials 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2026, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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'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
June 23, 2026

REQUIRED SUPPLEMENTARY INFORMATION (PART I)

As management of the Village of Richmond, we offer readers of the Village of Richmond's financial statements this narrative overview and analysis of the financial activities of the Village of Richmond for the year ended June 30, 2025. 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.

<u>Financial Highlights</u>

- The assets of the Village exceeded its liabilities at the close of the fiscal year by $2,425,455 (net position). Of this amount, $1,989,816 (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 $293,131.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

Governmental Funds

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

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

The Village adopts an annual budget for all funds. A budgetary comparison statement is provided to demonstrate compliance with this budget.

Proprietary Funds

The Village maintains one proprietary fund. Enterprise funds are used to report the same functions presented as a business-type activity 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 the Financial Statements

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

Other Information

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

Government-Wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Village of Richmond, assets exceed liabilities at the close of the fiscal year, by $2,425,455 in 2025, and $2,132,324 in 2024. Of these amounts $322,901, or 13%, and $336,527, or 16%, of the total net position, represent the investment of the Village in capital assets net of related debt. Net position of $1,989,816 for 2025, and $1,702,835 for 2024, which are technically unrestricted, need to be viewed in light of information in the fund financial statements.

	Governmental Activities		Business-Type Activities		Totals	
	6/30/2025	6/30/2024	6/30/2025	6/30/2024	6/30/2025	6/30/2024
Current & Other Assets	$ 2,139,725	$ 1,827,860	$ 92,199	$ 78,251	$2,231,924	$1,906,111
Capital Assets (net)	261,204	287,853	322,901	336,527	584,105	624,380
Total Assets	2,400,929	2,115,713	415,100	414,778	2,816,029	2,530,491
Current & Other Liabilities	97,665	63,410	1,757	1,757	99,422	65,167
Long-Term Liabilities	291,152	333,000	-	-	291,152	333,000
Total Liabilities	388,817	396,410	1,757	1,757	390,574	398,167
Net Position:						
Net Investment in Capital Assets	-	-	322,901	336,527	322,901	336,527
Restricted	112,738	92,962	-	-	112,738	92,962
Unrestricted	1,899,374	1,626,341	90,442	76,494	1,989,816	1,702,835
Total Net Position	$ 2,012,112	$ 1,719,303	$ 413,343	$ 413,021	$2,425,455	$2,132,324

The Village's governmental activities increased the net position by $292,809. The total business-type activities increased the Village's net position by $322. Below is a summary of the statement of activities.

	Governmental Activities		Business Type Activities		Total	
	6/30/2025	6/30/2024	6/30/2025	6/30/2024	6/30/2025	6/30/2024
Revenues						
Taxes:						
Property	$ 121,201	$ 126,527	$ -	$ -	$ 121,201	$ 126,527
Sales tax and video poker	395,040	387,917	-	-	395,040	387,917
Franchise	31,322	32,708	-	-	31,322	32,708
Sewer fees	-	-	118,470	117,347	118,470	117,347
Licenses and permits	15,463	20,898	-	-	15,463	20,898
Rent	14,415	20,425	-	-	14,415	20,425
Interest	85,087	61,541	18	-	85,105	61,541
Intergovernmental revenues	25,000	25,000	-	-	25,000	25,000
Charges for services	7,005	14,005	-	-	7,005	14,005
Other Income	106,588	100,933	-	-	106,588	100,933
Total Revenues	801,121	789,954	118,488	117,347	919,609	907,301
Expenses						
General Government	451,128	441,344	-	-	451,128	441,344
Public Safety	3,556	-	-	-	3,556	-
Public Works	15,689	16,595	118,166	91,790	133,855	108,385
Recreation	22,078	16,670	-	-	22,078	16,670
Interest on Long-term debt	15,861	17,774	-	-	15,861	17,774
Total Expenses	508,312	492,383	118,166	91,790	626,478	584,173
Increase (Decrease) in Net Position						
Before Transfers	292,809	297,571	322	25,557	293,131	323,128
Transfers	-	(7,773)	-	7,773	-	-
Increase (Decrease) in Net Position	$ 292,809	$ 289,798	$ 322	$ 33,330	$ 293,131	$ 323,128

Financial Analysis of the Government's Funds

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

The Village's governmental funds reported an ending fund balance of $2,096,486, which is an increase of $279,192. The Village's proprietary fund shows an ending net position of $413,343, which is an increase of $322.

Budgetary Highlights

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

A budgetary comparison schedule showing the Village of Richmond's budget compared with actual operating results is provided in the report that follows.

Economic Factors and Next Year's Budgets

The Village considered many factors when setting the 2026 budget.

Revenues and expenditures of the Village's funds are expected to remain fairly consistent with the 2025 fiscal year.

Capital Assets and Debt Administration

The total investment in capital assets for the Village as of June 30, 2025, amount to $584,105 (net of accumulated depreciation). This investment includes land, buildings, sewer plant, furniture, equipment, and automobiles.

In 2025, the Village paid for bonds in the debt service fund totaling $63,279 which included $16,279 in interest and $47,000 in principal, which left an unpaid principal balance of $333,000.

CONTACTING THE VILLAGE'S MANAGEMENT

This financial report is designed to provide a general overview of the Village of Richmond'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 Village's Office at 598 Wood Street, Richmond, Louisiana 71282.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

VILLAGE OF RICHMOND

RICHMOND, LOUISIANA

STATEMENT OF NET POSITION

JUNE 30, 2025

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-Type Activites	Total
ASSETS			
Cash and cash equivalents	$ 125,777	$ 76,660	$ 202,437
Restricted assets			
Cash and cash equivalents	83,930	-	83,930
Investments	1,833,557	-	1,833,557
Accounts receivable	95,587	14,337	109,924
Interest receivable	2,001	-	2,001
Capital assets (net)	261,204	322,901	584,105
Due to/due from other funds	(1,202)	1,202	-
Other assets	75	-	75
TOTAL ASSETS	2,400,929	415,100	2,816,029
LIABILITIES			
Accounts, salaries, and other payables	39,062	1,757	40,819
Payroll taxes payable	4,177	-	4,177
Accrued interest payable	5,426	-	5,426
Bonds payable, current portion	49,000	-	49,000
Noncurrent liabilities:			
Compensated absences, due within a year	2,034	-	2,034
Compensated absences, long-term portion	5,118	-	5,118
Bonds payable, long-term portion	284,000	-	284,000
TOTAL LIABILITIES	388,817	1,757	390,574
NET POSITION			
Net investment in capital assets	-	322,901	322,901
Restricted	112,738	-	112,738
Unrestricted	1,899,374	90,442	1,989,816
TOTAL NET POSITION	$ 2,012,112	$ 413,343	$ 2,425,455

The notes to the financial statements are an integral part of this statement.

VILLAGE OF RICHMOND

RICHMOND, LOUISIANA

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2025

		Program Revenues			Net (Expense) Revenue and Change in Net Position of Primary Government		
	Expenses	Charges for Services	Capital Grants and Contributions	Net (Expenses) Revenue	Governmental Activities	Business-Type Activities	Total
Functions/Programs							
Governmental Activities							
General government	$ 451,128	$ -	$ -	$ (451,128)	$ (451,128)	$ -	$ (451,128)
Public safety	3,556	-	-	(3,556.00)	(3,556.00)	-	(3,556.00)
Public works	15,689	-	25,000	9,311	9,311	-	9,311
Recreation	22,078	7,005	-	(15,073)	(15,073)	-	(15,073)
Interest on long-term debt	15,861	-	-	(15,861)	(15,861)	-	(15,861)
Total governmental activites	508,312	7,005	25,000	(476,307)	(476,307)	-	(476,307)
Business-Type Activities:							
Sewer	118,166	118,470	-	304	-	304	304
Total business-type activities	118,166	118,470	-	304	-	304	304
Total Primary Government	$ 626,478	$ 125,475	$ 25,000	$ (476,003)	(476,307)	304	(476,003)
General Revenues:							
Sales tax					395,040	-	395,040
Property taxes					121,201	-	121,201
Franchise taxes					31,322	-	31,322
License & permits					15,463	-	15,463
Building rent					14,415	-	14,415
Interest income					85,087	18	85,105
Other income					106,588	-	106,588
Total General Revenues					769,116	18	769,134
Change in Net Position					292,809	322	293,131
Net Position - Beginning					1,719,303	413,021	2,132,324
Net Position - Ending					$ 2,012,112	$ 413,343	$ 2,425,455

The notes to the financial statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

VILLAGE OF RICHMOND

RICHMOND, LOUISIANA

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2025

			Capital Projects Funds		Total
	General Fund	2014 Debt Service Fund	ARPA Fund	Capital Projects Fund	Governmental Funds
ASSETS					
Cash and cash equivalents	$ 122,546	$ -	$ -	$ 3,231	$ 125,777
Restricted assets					
Cash and cash equivalents	-	83,930	-	-	83,930
Investments	1,833,557	-	-	-	1,833,557
Accounts receivable	95,587	-	-	-	95,587
Interest receivable	2,001	-	-	-	2,001
	-	28,808	-	-	28,808
Other assets	75	-	-	-	75
TOTAL ASSETS	$ 2,053,766	$ 112,738	$ -	$ 3,231	$ 2,169,735
LIABILITIES					
Accounts payable	$ 39,062	$ -	$ -	$ -	$ 39,062
Payroll liabilities	4,177	-	-	-	4,177
Due to other funds	30,010	-	-	-	30,010
TOTAL LIABILITIES	73,249	-	-	-	73,249
FUND BALANCES					
Assigned	-	-	-	3,231	3,231
Restricted	-	112,738	-	-	112,738
Unassigned	1,980,517	-	-	-	1,980,517
Total fund balances	1,980,517	112,738	-	3,231	2,096,486
TOTAL LIABILITIES AND FUND BALANCES	$ 2,053,766	$ 112,738	$ -	$ 3,231	$ 2,169,735

The notes to the financial statements are an integral part of this statement.

VILLAGE OF RICHMOND

RICHMOND, LOUISIANA

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

JUNE 30, 2025

Total Governmental Fund Balances		$ 2,096,486
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.		261,204
Long-term liabilities including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds:		
Accrued Interest Payable	(5,426)	
Compensated absences	(7,152)	
Bond Payable	(333,000)	(345,578)
Net Position of Governmental Activities		$ 2,012,112

VILLAGE OF RICHMOND

RICHMOND, LOUISIANA

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

FOR THE YEAR ENDED JUNE 30, 2025

			Capital Projects Funds		
	General Fund	2014 Debt Service Fund	ARPA Fund	Capital Projects Fund	Total Governmental Funds
Revenues					
Taxes:					
Property	$ 31,931	$ 89,270	$ -	$ -	$ 121,201
Sales	395,040	-	-	-	395,040
Franchise	31,322	-	-	-	31,322
Licenses and permits	15,463	-	-	-	15,463
Rent	14,415	-	-	-	14,415
Interest	84,588	462	-	37	85,087
Intergovernmental revenues	25,000	-	-	-	25,000
Other revenues	113,593	-	-	-	113,593
Total Revenues	711,352	89,732	-	37	801,121
Expenditures					
General government	417,327	-	-	-	417,327
Public safety	3,556	-	-	-	3,556
Public works	15,689	-	-	-	15,689
Recreation	22,078	-	-	-	22,078
Debt service					
Principal payment	-	47,000	-	-	47,000
Interest expense	-	16,279	-	-	16,279
Total Expenditures	458,650	63,279	-	-	521,929
Excess (Deficiency) of Revenues					
Over Expenditures	252,702	26,453	-	37	279,192
Other Financing Sources and (Uses)					
Transfers in (out)	6,677	-	(6,677)	-	-
Net Change in Fund Balance	259,379	26,453	(6,677)	37	279,192
Fund Balances - Beginning	1,721,138	86,285	6,677	3,194	1,817,294
FUND BALANCES - ENDING	$ 1,980,517	$ 112,738	$ -	$ 3,231	$ 2,096,486

VILLAGE OF RICHMOND

RICHMOND, LOUISIANA

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

FOR THE YEAR ENDED JUNE 30, 2025

Net change in fund balance - total Governmental funds		$ 279,192
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:		
Depreciation expense		(26,649)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Bond principal payments		47,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Decrease in accrued interest payable	418	
Increase in compensated absences	(7,152)	(6,734)
Change in net position of governmental activities		$ 292,809

VILLAGE OF RICHMOND

RICHMOND, LOUISIANA

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

JUNE 30, 2025

	Sewer Enterprise Fund
ASSETS	
Current assets	
Cash and cash equivalents	$ 76,660
Receivables, net of allowance of $2,483	14,337
Due from other funds	1,202
Total current assets	92,199
Non-current assets	
Capital assets (net of accumulated depreciation)	322,901
Total assets	$ 415,100
LIABILITIES	
Current liabilities	
Accounts, salaries, and other payables	$ 1,757
Total liabilities	1,757
NET POSITION	
Net investment in capital assets	322,901
Unrestricted	90,442
Total net position	$ 413,343

VILLAGE OF RICHMOND

RICHMOND, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2025

	Sewer Enterprise Fund
Operating revenues	
Charges for services:	
Sewer	$ 118,470
Operating expenses	
Supplies	7,178
Utilities	14,101
Maintenance and repairs	83,226
Miscellaneous	35
Depreciation	13,626
Total operating expenses	118,166
Operating income	304
Capital contributions and transfers	
Interest Income	18
Change in net position	322
Net position - beginning	413,021
Net position - ending	$ 413,343

VILLAGE OF RICHMOND

RICHMOND, LOUISIANA

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2025

		Sewer Enterprise Fund
Cash flows from operating activities		
Receipts from customers and users	$	119,196
Payments to suppliers for goods and services		(104,540)
Net cash provided by operating activities		14,656
Cash flows from noncapital financing activities		
Due to/from other funds		(1,202)
Cash flow from investing activities		
Interest income		18
Net increase in cash and cash equivalents		13,472
Cash and cash equivalents, beginning of the year		63,188
Cash and cash equivalents, at end of year	$	76,660
Shown on the accompanying statement of net position as:		
Cash and cash equivalents	$	76,660
Reconciliation of operating income to net cash provided by operating activities		
Operating income	$	304
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation expense		13,626
Decrease in accounts receivable		726
Total adjustments		14,352
Net cash provided by operating activities	$	14,656

The notes to the financial statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

Introduction

The Village of Richmond, Louisiana (hereafter referred to as the Village) was created under the provisions of the Lawrason Act, Louisiana Revised Statute 33:321, August 28, 1973. Therefore, it operates under a Mayor - Board of Aldermen form of government.

The Mayor and three Alderpersons are elected at large every four years by the citizens of the Village.

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

The Village is situated in the northwest part of Madison Parish with a population of 513 people. Within the boundaries are approximately 16 miles of roads maintained by the Village. It is currently servicing 195 sewer customers and employs 8 people.

GASB Statement No.14, *The Financial Reporting Entity,* established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under the provisions of this Statement the Village is considered a primary government, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No.14, fiscally independent means that the Village may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes, or set rates or charges, and issue bonded debt. The Village does not have oversight of any other component units and therefore, no other government unit is included in the Village's financial statements.

Note 1 - Summary of Significant Accounting Policies

A. Description of government-wide and fund financial statements

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment 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 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.

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.

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. All other revenue items are considered to be measurable and available only when cash is received by the government.

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 2014 Debt Service Fund accounts for revenue received from property taxes levied for payment of the general obligation bond, and bond payments.

The Capital Projects Fund accounts for grants and bonds that are designated for capital projects.

The ARPA Fund accounts for revenues and expenditures as part of the American Rescue Plan Act.

The Sewer Fund accounts for financial resources of the sewer services.

C. Cash and Cash Equivalents

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

D. Accounts Receivable

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. Business-type activities report utilities as their major receivable. An allowance for uncollectible receivables is maintained. Amounts considered uncollectible, in the opinion of management, are charged to operations when identified.

E. **Investments**

Investments are limited by Louisiana Revised Statute 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments. Otherwise, the investments are classified as cash equivalents. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and External Investment Pools", investments are recorded at fair value with the corresponding increase or decrease reported in investment earnings. All investments of the Village are certificates of deposit held at local banks and the fair value is determined by the face value of the certificate.

F. Capital Assets

Under GASB Statement No. 34, "Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments", capital assets, which include buildings, other improvements, machinery and equipment, vehicles, and furniture and fixtures, are reported and depreciated in the applicable governmental or business-type activities column of the government-wide financial statements. No long- term capital assets or depreciation are shown in the governmental fund statements.

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

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

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

Description	Estimated Lives
Buildings and Building Improvements	40 years
Sewage system	40 years
Office Equipment	5-10 years
Equipment	5-20 years
Vehicles	5 years

G. Fund Equity

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

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

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

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

Assigned Fund Balance - amounts the Village intends to use for a specific purpose. The Mayor/Board of Aldermen express intent.

Unassigned Fund Balance - amounts that are available for any purpose. Positive amounts are reported only in the general fund.

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.

The Village establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Mayor/Board of Aldermen through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

H. Property Taxes

Ad valorem taxes were levied for 2025 at 5.27 mils for property tax, and 14.6 mils for street improvements (restricted for debt service). These taxes, which attach as enforceable liens on property as of January 1, are levied in October, become due on receipt and until December 31, and become delinquent on January 1 of the following year. The taxes are generally collected in December of the current year and January and February of the following year.

I. Compensated Absences

In accordance with GASB Statement No. 101, “Compensated Absences”, the Village recognizes a liability for compensated absences, including sick leave, when the leave is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Employees do not carry forward vacation leave and therefore no liability is recorded.

Sick leave accrues at one day per month, ten days are carried over per year, and caps at thirty days. The liability for compensated sick leave is measured based on employees’ accumulated and unused sick leave balances at the financial statement date, using employees’ pay rates as of that date. The measurement includes salary-related payments that are directly and incrementally associated with the leave, as applicable (for example, the employer share of payroll taxes and other related costs, as applicable). The liability is adjusted each reporting period for additional amounts earned, amounts used, changes in pay rates, and changes in estimates.

J. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates. The estimates are the responsibility of management. Actual results can differ from those estimates.

K. Retirement Plan

The Village is not a participant in a retirement plan.

Note 2 - Cash and Cash Equivalents

At June 30, 2025, the Village has cash and cash equivalents (book balances) totaling $286,367, as follows:

Demand deposits	$	96,632
Interest bearing deposits		189,735
Totals	$	286,367

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance, or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must always 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.

At June 30, 2025, the Village has $292,272 in deposits (collected bank balances). These deposits are secured from risk by $292,272 of federal deposit insurance.

Note 3 - Investments

At June 30, 2025, the Village's investment balances were as follows:

	Carrying Amount	Market Value
Guaranty Bank and Trust Certificate of Deposit	$ 1,833,557	$ 1,833,557

Of the $1,833,557 of certificates of deposit, $250,000 was secured from risk by federal deposit insurance and $1,583,557 by pledged securities.

Even though any pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, "Deposits with Financial Institutions (including Repurchase Agreements), and Reverse Repurchase Agreements," R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Village that the fiscal agent has failed to pay deposited funds upon demand.

Note 4 – Accounts Receivables

The receivables of $109,924 at June 30, 2025 are as follows:

Class of Receivable	General Fund	Sewer Fund	Totals
Sales Tax	$ 32,283	$ -	$ 32,283
Video Poker Income	63,304	-	63,304
Charges for Service	-	16,820	16,820
Less: Allowance for doubtful accounts	-	(2,483)	(2,483)
	$ 95,587	$ 14,337	$ 109,924

Note 5 - Capital Assets

Capital Asset Activity for the year ended June 30, 2025, is as follows:

Government activities:	Balance 6/30/2024	Additions	Deletions	Balance 6/30/2025
Non-depreciable assets:				
Land	$ 66,086	$ -	$ -	$ 66,086
Depreciable assets:				
Buildings & improvements	309,143	-	-	309,143
Police equipmnet	8,174	-	-	8,174
Tractors	119,761	-	-	119,761
Mosquito equipment	44,742	-	-	44,742
Ball park	172,073	-	-	172,073
Other equipment	161,320	-	-	161,320
Total capital assets being depreciated	815,213	-	-	815,213
Less accumulated depreciation	(593,446)	(26,649)	-	(620,095)
Total capital assets being depreciated, net	221,767	(26,649)	-	195,118
Total governmental activities capital assets, net	$ 287,853	$ (26,649)	$ -	$ 261,204
Business-Type activities				
Depreciable assets:				
Sewer plant and improvements	$ 753,179	$ -	$ -	$ 753,179
Equipment	69,989	-	-	69,989
Total capital assets being depreciated	823,168	-	-	823,168
Less accumulated depreciation	(486,641)	(13,626)	-	(500,267)
Total business-type activities, net	$ 336,527	$ (13,626)	$ -	$ 322,901

Note 6 - Long-term liabilities

The following is a summary of the long-term obligation activity for the year ended June 30, 2025.

	Beginning Balance	Additions	Deletions	Ending Balance	Due within One Year
General Obiligation Bonds	$ 380,000	$ -	$ (47,000)	$ 333,000	$ 49,000

The Village issued $790,000 of General Obligation Bonds, dated March 11, 2014, for the purpose of overlaying and improving public streets. The bonds bear interest at 3.42799% and are payable in semi-annual installments on March 1 and September 1 until maturity on March 1, 2031. The Village passed an ad valorem tax increase which is restricted for repayment of the bonds.

A schedule of annual payments are listed below:

	Principal Payments	Interest Payments	Total
Year ending June 30,			
2026	$ 49,000	$ 14,634	$ 63,634
2027	51,000	12,796	63,796
2028	53,000	10,808	63,808
2029	59,000	8,555	67,555
2030	60,000	5,900	65,900
2031	61,000	3,050	64,050
Total	$ 333,000	$ 55,743	$ 388,743

Note 7 - Fund Balance Detail

At June 30, 2025, fund balances for the Village of Richmond's governmental funds were classified as follows:

Fund	Nonspendable	Restricted	Committed	Assigned	Unassigned
General Fund	$ -	$ -	$ -	$ -	$ 1,980,517
2014 Debt Service Fund	-	112,738	-	-	-
Capital Projects Fund	-	-	-	3,231	-
Total	$ -	$ 112,738	$ -	$ 3,231	$ 1,980,517

Nonspendable Fund Balance: Represents amounts that are not in spendable form or are legally or contractually required to be maintained intact. As of June 30, 2025, the Village had no nonspendable fund balance.

Restricted Fund Balance: Represents amounts constrained for specific purposes by their providers (such as grantors, bondholders, or enabling legislation). The 2014 Debt Service Fund balance is revenue restricted for bond debt service.

Committed Fund Balance: Represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Village's highest level of decision-making authority. As of June 30, 2025, the Village had no committed fund balance.

Assigned Fund Balance: Represents amounts the Village intends to use for specific purposes. The Capital Projects Fund is assigned to capital projects.

Unassigned Fund Balance: Represents the residual fund balance in the General Fund and any deficit fund balances in other governmental funds.

Note 8 – Compensated Absences

In accordance with GASB Statement No. 101, "Compensated Absences", the Village recognizes a liability for compensated absences, including sick leave, when the leave is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

In the government-wide financial statements, compensated absences are reported as a liability in the statement of net position. The current portion is the amount expected to be paid or settled within one year and is reported as a current liability; the remainder is reported as a long-term liability. In the governmental fund financial statements, expenditures and liabilities for compensated absences are recognized only to the extent that the amounts are normally expected to be liquidated with expendable available financial resources.

At June 30, 2025, the accrued liability for compensated sick leave in the government-wide financial statements was:

	Beginning Balance	Additions	Deductions	Ending Balance	Due within one year
Compensated Absences	$ 6,624	$ 2,562	$ 2,034	$ 7,152	$ 2,034

Note 9 - Subsequent Events

The Village has evaluated subsequent events through June 23, 2026, the date the financial statements were available to be issued. Subsequent to year-end, the Village approved the construction of a new lift station with an estimated cost of approximately $50,000. Management has determined that all relevant and material subsequent events have been appropriately recorded or disclosed.

REQUIRED SUPPLEMENTARY INFORMATION (PART II)

VILLAGE OF RICHMOND

RICHMOND, LOUISIANA

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)

FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts Original	Actual	Variance With Final Budget Favorable (Unfavorable)
Revenues			
Taxes:			
Property	$ 28,000	$ 31,931	$ 3,931
Sales tax and video poker	325,000	395,040	70,040
Franchise	33,100	31,322	(1,778)
Fire protection service charge	13,500	-	(13,500)
Licenses and permits	18,500	15,463	(3,037)
Rent	6,600	14,415	7,815
Interest	5,000	84,588	79,588
Intergovernmental revenues	25,000	25,000	-
Other revenues	73,800	113,593	39,793
Total Revenues	528,500	711,352	182,852
Expenditures			
General government	424,573	417,327	7,246
Public safety	6,000	3,556	2,444
Public works	500	15,689	(15,189)
Recreation	15,000	22,078	(7,078)
Capital outlay	60,400	-	60,400
Total Expenditures	506,473	458,650	47,823
Excess of Revenues Over Expenditures	22,027	252,702	230,675
Other Financing Sources and (Uses)			
Transfers in	-	6,677	6,677
Net Change in Fund Balance	22,027	259,379	237,352
Fund Balances - Beginning	1,721,138	1,721,138	237,352
FUND BALANCES - ENDING	$ 1,743,165	$ 1,980,517	$ 474,704

See accompanying independent auditor’s report.

A proposed budget is prepared and submitted by the Mayor to the Board of Aldermen 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 GAAP basis. The Village prepares annual budgets for the general fund. Budget amendments are approved by the Board of Aldermen and are also approved by ordinance. There were no budget amendments for the year ended June 30, 2025.

All budgetary appropriations lapse at the end of each year.

OTHER SUPPLEMENTARY INFORMATION

VILLAGE OF RICHMOND

RICHMOND, LOUISIANA

SCHEDULE OF COMPENSATION PAID TO ELECTED OFFICIALS

FOR THE YEAR ENDED JUNE 30, 2025

	Compensation
Preston Walker, Mayor	$ 33,766
Walter Cobb, Alderman	4,500
Margaret Leoty, Alderwoman	4,500
Curtis Collins, Alderman	4,500
Total	$ 47,266

VILLAGE OF RICHMOND

RICHMOND, LOUISIANA

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

FOR THE YEAR ENDED JUNE 30, 2025

	Preston Walker Mayor
Salary	$ 33,766
Expenses	1,578

OTHER REPORTS

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

INDEPENDENT AUDITOR'S 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*

Honorable Preston Walker, Mayor
Members of the Board of Aldermen
Village of Richmond, Louisiana

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, business-type activities, and each major fund of the Village of Richmond, 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 June 23, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing the 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in inter control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2025-05.

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. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2025-01 and 2025-03.

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 responses as items 2025-03, 2025-02, and 2025-04.

Village of Richmond, 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 responses. The Village's responses were 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 Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. In accordance with Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Heard, McElroy & Vestal, LLC

Monroe, Louisiana
June 23, 2026

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

1. The auditor's report expresses an unmodified opinion on the basic financial statements of the Village of Richmond, Louisiana.
2. Two significant deficiencies relating to the audit of the basic financial statements are reported and are not considered to be a material weakness.
3. One material weakness relating to the audit of the basic financial statements was reported.
4. Two instances of noncompliance relating to the basic financial statements of the Village of Richmond, Louisiana were disclosed during the audit.
5. No federal single audit was required under the Uniform Guidance relating to the financial statements of the Village of Richmond, Louisiana.

Section II - **Financial Statement Findings**

2025-01 Inadequate Segregation of Duties

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

Condition: The Village of Richmond does not have an adequate segregation of employee duties for effective internal control.

Cause: The size of the Village of Richmond and the limited number of employees does not permit an adequate segregation of employee duties for effective internal control.

Effect: The Village may be at higher risk of errors, fraud, waste, and abuse. Transactions may lack proper authorization or documentation.

Recommendation: Management should make an effort to ensure that the Village's internal control system is properly designed, implemented, and monitored. Additionally, the Mayor and/or someone on the board should review bank reconciliations and bank statements each month.

Management's Response: Management acknowledges the risk and notes that due to the small size of the organization and limited personnel, complete segregation of duties is not feasible. However, all accounting activities, including journal entries and reconciliations, are subject to regular review and oversight by the board to provide compensating control. Management will continue to assess and enhance oversight procedures where possible.

2025-02 Compliance with Annual Filing Deadline

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.

Condition: The audit report was submitted after the statutory due date.

Cause: The Village had to replace its consulting CPA which resulted in the books not being ready to audit until well after the deadline.

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

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 in a timely manner.

Management's Response: The transition between consulting accounting firms and audit firms resulted in delays in initiating the audit process. Management is committed to working closely with both firms to ensure that the audit process begins earlier in the fiscal year, allowing for timely completion and submission of the audited financial statements to the Legislative Auditor in accordance with statutory requirements.

2025-03 Misappropriation of Assets

Criteria: Good internal control procedures require that the Village maintain accurate records of assets and implement internal controls to prevent and detect fraud and misappropriation of assets.

Condition: During inquiries, it was discovered that a former employee was taking gas cans and using them to fill up his personal truck with fuel purchased by the Village. The Village is unable to estimate an amount of theft that occurred.

Cause: The Village did not have adequate physical security over the fuel and there were no controls in place to prevent or detect the misappropriation.

Effect: Theft of fuel by an employee results in the misappropriation of public assets, financial loss to the municipality, potential misstatement of financial records, and violation of state laws.

Recommendation: Management should review and approve fuel purchases and install physical controls such as locks and surveillance cameras.

Management's Response: The employee involved in the misappropriation has been terminated. The Village has strengthened documentation procedures for fuel purchases and will implement a purchase order system requiring management approval for all fuel purchases. These measures are intended to enhance internal controls and prevent future misappropriation of assets.

2025-04 Not Shutting off Sewer Service for Unpaid Bills

Criteria: The Louisiana Constitution prohibits the donation of public funds or property, which includes providing free utility services.

Condition: The Village is unable to enforce the discontinuation of sewer service for customers with unpaid sewer bills, resulting in customers receiving sewer service without payment.

Cause: There is no contract or agreement in place with the water company that authorizes the water company to discontinue water service for customers with past due sewer accounts. As a result, the town is unable to enforce collection of sewer charges through water shutoff.

Effect: Failure to enforce collection of sewer service charges may result in the illegal donation of public assets, loss of revenue, and noncompliance with both state law and the Louisiana Constitution. This practice may also undermine the financial stability of the sewer fund and set a precedent that encourages nonpayment, leading to increased delinquencies and cash flow issues.

Recommendation: The town should pursue a formal agreement or contract with the water company to allow for the discontinuation of water service for customers with delinquent sewer accounts.

Management's Response: The Village has entered into an agreement with Magnolia Water Service to authorize the discontinuation of water service for customers who are more than 30 days delinquent on their sewer bills. This measure is intended to improve the collection of sewer service charges and ensure compliance with state law and the Louisiana Constitution.

2025-05 Bank Reconciliations not performed

Criteria: Effective internal control over cash requires that all bank accounts be reconciled to the general ledger on a timely basis (typically monthly) and that reconciling items be promptly investigated and resolved. Bank reconciliations should be prepared by qualified personnel, reviewed by an appropriate supervisory employee or official, and retained as evidence of preparation and review.

Condition: During our audit procedures over cash and cash equivalents, we noted that the Village did not prepare and/or complete bank reconciliations for two bank accounts for the period ended June 30, 2025. As a result, the Village was unable to demonstrate that the recorded cash balances for these accounts were reconciled to the corresponding bank statements in a timely and accurate manner. Material checks were not recorded on the closing balance.

Cause: The condition appears to have resulted from inadequate procedures and oversight over the cash reconciliation process. Specifically, responsibilities for preparing, reviewing, and tracking reconciling items for all bank accounts were not clearly assigned and consistently performed. Contributing factors may include turnover, staffing limitations, or lack of formal review procedures.

Effect: Failure to perform timely and complete bank reconciliations increases the risk that errors, irregularities, unauthorized transactions, or misstatements in cash balances will not be detected and corrected timely. Material outstanding checks that are not investigated and resolved may result in inaccurate cash balances, misstated liabilities or expenditures, and potential noncompliance with applicable policies or escheatment requirements. This condition could result in a material misstatement of the Village's financial statements if not corrected.

Recommendation: We recommend that management strengthen internal controls over cash to ensure all bank accounts are reconciled to the general ledger timely (preferably monthly) and reviewed by an appropriate supervisory employee or official. Management should require reconciliations to be completed within 30 days after month-end and retain documentation of preparation, review, and resolution of reconciling items.

Management's Response: The Village will work with the consulting CPA firm to ensure timely reconciliation of all bank accounts.

2024-01 Segregation of Duties

Condition: The Village of Richmond does not have an adequate segregation of employee duties for effective internal control.

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

Current Status: Finding is repeated as 2025-01.

2024-02 Compliance with Annual Filing Deadline

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

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 in a timely manner.

Current Status: Finding is Resolved

2024-03 Misappropriation of Assets

Condition: During inquiries, it was discovered that a former employee was taking gas cans and using them to fill up his personal truck with fuel purchased by the Village. The Village is unable to estimate an amount of theft that occurred.

Recommendation: Management should review and approve fuel purchases and install physical controls such as locks and surveillance cameras.

Current Status: Finding is repeated as 2025-03.

2024-04 Not Shutting off Sewer Service for Unpaid Bills

Condition: The Village is unable to enforce the discontinuation of sewer service for customers with unpaid sewer bills, resulting in customers receiving sewer service without payment.

Recommendation: The town should pursue a formal agreement or contract with the water company to allow for the discontinuation of water service for customers with delinquent sewer accounts.

Current Status: Finding is repeated as 2025-04

Village of Richmond

Agreed-Upon Procedures Report
For the Year Ended 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)

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

Village of Richmond
Richmond, Louisiana

Louisiana Legislative Auditor
Baton Rouge, Louisiana

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 Richmond's (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 that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
   a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
   b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
   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) rate 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, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (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: Twenty-two exceptions found for the above topics, as the Village has no written policy or procedures manual.

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, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, 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: No exceptions noted.

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 evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

   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: Four exceptions noted. HMV noted no evidence of bank reconciliations being prepared or reviewed.

Collections (excluding electronic funds transfers)

4. Obtain a listing of <u>deposit sites</u> 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 <u>collection locations</u> 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 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.

d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/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: Three exceptions noted. The same employee that receives cash payments also makes the entries and deposits the cash, there are no receipts or collection procedures in place for the concession stand at the ballpark, and two employees did not have theft coverage.

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.

Findings: Two exceptions noted, payment processed and mailed by same employee. Disbursement documentation does not have evidence of approval.

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

14. Using the monthly statements or combined statements selected under #12 above, <u>excluding fuel cards</u>, 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

note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

15. Using the list of terminated employees obtained in the Payroll and Personnel procedures, identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.

Findings: No exceptions noted.

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

16. 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: Seven exceptions noted for not having supporting documentation or approval.

Contracts

17. 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: No exceptions noted.

Payroll and Personnel

18. 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.

19. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 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). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

    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.

20. 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.

21. 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: Two exceptions noted. Entity does not maintain personnel files and does not approve timesheets.

Ethics

22. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
    a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the 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.
23. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Findings: One exception noted. One employee did not complete ethics training.

Debt Service

24. 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.
25. 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: No exceptions noted.

Fraud Notice

26. 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.
27. 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: One exception noted. Misappropriations were not reported to the legislative auditor and district attorney.

Information Technology Disaster Recovery/Business Continuity

28. 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 18. 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 16, 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 procedures and discussed the results with management**.**

Prevention of Sexual Harassment

29. Using the 5 randomly selected employees/officials from procedure #16 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.

30. 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).

31. 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, there is no annual report filed or sexual harassment policy.

Management's Response

We agree with the results of the procedures and will address the identified exceptions.

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
June 23, 2026