

VILLAGE OF FLORIEN, LOUISIANA
ANNUAL FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT
SEPTEMBER 30, 2017

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INDEPENDENT AUDITOR'S REPORT

The Honorable Eddie Jones, Jr., Mayor
and Members of the Board of Aldermen
Village of Florien, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Village of Florien, Louisiana as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Village of Florien, Louisiana as of September 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and budgetary comparison information on pages 26 through 27 be presented to supplement the basic financial statements. Such information, 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 the 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to my 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.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Florien, Louisiana's basic financial statements. The schedule of per diem paid to board members and schedule of compensation, benefits and other payments to agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of per diem paid to board members and the schedule of compensation, benefits and other payments to agency head are the responsibility of management and were derived from and relate 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, the schedule of per diem paid to board members and the schedule of compensation, benefits and other payments to agency head are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued my report dated March 16, 2018, on our consideration of the Village of Florien, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Florien, Louisiana's internal control over financial reporting and compliance.



DeRidder, Louisiana
March 16, 2018

BASIC FINANCIAL STATEMENTS

Statement of Net Position
September 30, 2017

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 37,015	\$ 151,957	\$ 188,972
Receivables:			
Franchise taxes	2,643	-	2,643
Sales taxes	16,150	-	16,150
Accounts	-	41,274	41,274
Due from other funds	16,095	-	16,095
Restricted assets - cash	78,707	-	78,707
Capital assets not being depreciated	65,161	31,350	96,511
Capital assets being depreciated - net	1,075,700	2,616,031	3,691,731
	<u>\$ 1,291,471</u>	<u>\$ 2,840,612</u>	<u>\$ 4,132,083</u>
LIABILITIES			
Accounts payable	\$ 13,427	\$ 12,272	\$ 25,699
Payroll taxes payable	1,453	244	1,697
Due to other funds	-	16,095	16,095
Customer deposits	25	15,028	15,053
Long term debt			
Due within one year	8,425	-	8,425
Due in more than one year	20,091	-	20,091
Total liabilities	<u>\$ 43,421</u>	<u>\$ 43,639</u>	<u>\$ 87,060</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred franchise tax revenue	<u>\$ 64,000</u>	<u>\$ -</u>	<u>\$ 64,000</u>
Total liabilities and deferred inflows of resources	<u>\$ 107,421</u>	<u>\$ 43,639</u>	<u>\$ 151,060</u>
NET POSITION			
Net investment in capital assets	\$ 1,140,861	\$ 2,647,381	\$ 3,788,242
Restricted for:			
Sales tax dedications	94,253	-	94,253
Unrestricted	(51,064)	149,592	98,528
Total net position	<u>\$ 1,184,050</u>	<u>\$ 2,796,973</u>	<u>\$ 3,981,023</u>
	<u>\$ 1,291,471</u>	<u>\$ 2,840,612</u>	<u>\$ 4,132,083</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 1,291,471</u>	<u>\$ 2,840,612</u>	<u>\$ 4,132,083</u>

The accompanying notes are an integral part of this statement.

Statement of Activities
For the Year Ended September 30, 2017

Program Activities	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		Total
		Fees, Fines and Charges for Services	Capital Grants and Contributions	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:							
General government and administration	\$ 197,492	\$ 1,274	\$ -	\$ -	\$ (196,218)	\$ -	\$ (196,218)
Public safety	168,093	182,642	-	-	14,549	-	14,549
Public works	161,150	71,462	25,750	-	(63,938)	-	(63,938)
Recreation	3,705	-	-	-	(3,705)	-	(3,705)
Total governmental activities	\$ 530,440	\$ 255,378	\$ 25,750	\$ -	\$ (249,312)	\$ -	\$ (249,312)
Business-type activities:							
Water and sewer	\$ 263,745	\$ 267,650	\$ -	\$ 34,500	\$ -	\$ 38,405	\$ 38,405
Total government	\$ 794,185	\$ 523,028	\$ 25,750	\$ 34,500	\$ (249,312)	\$ 38,405	\$ (210,907)
General revenues:							
Taxes:							
Ad valorem taxes					\$ 54,455	\$ -	\$ 54,455
Sales taxes					212,231	-	212,231
Franchise tax					29,135	-	29,135
Occupational licenses and permits					28,710	-	28,710
Investment earnings					66	21	87
Rental income					6,320	-	6,320
Miscellaneous					525	-	525
Total general revenues and transfers					\$ 331,442	\$ 21	\$ 331,463
Change in net position					\$ 82,130	\$ 38,426	\$ 120,556
Net position at beginning of year					1,101,920	2,758,547	3,860,467
Net position at end of year					\$ 1,184,050	\$ 2,796,973	\$ 3,981,023

The accompanying notes are an integral part of this statement.

Balance Sheet
 Governmental Funds
 September 30, 2017

	General	Major Funds Special Revenue Fund Sales Tax Fund	Total Governmental Funds
ASSETS			
Cash	\$ 37,015	\$ -	\$ 37,015
Receivables:			
Sales taxes	-	16,150	16,150
Franchise taxes	2,643	-	2,643
Due from other funds	12,555	3,540	16,095
Restricted cash and cash equivalents	-	78,707	78,707
 Total assets	 <u>\$ 52,213</u>	 <u>\$ 98,397</u>	 <u>\$ 150,610</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 9,587	\$ 3,840	\$ 13,427
Payroll withholdings payable	1,149	304	1,453
Customer deposits	25	-	25
Total liabilities	<u>\$ 10,761</u>	<u>\$ 4,144</u>	<u>\$ 14,905</u>
Deferred Inflows of Resources:			
Deferred franchise tax revenue	\$ 64,000	\$ -	\$ 64,000
Total liabilities and deferred inflows of resources	<u>\$ 74,761</u>	<u>\$ 4,144</u>	<u>\$ 78,905</u>
Fund Balances:			
Restricted	\$ -	\$ 94,253	\$ 94,253
Unassigned	(22,548)	-	(22,548)
Total fund balances	<u>\$ (22,548)</u>	<u>\$ 94,253</u>	<u>\$ 71,705</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 52,213</u>	 <u>\$ 98,397</u>	 <u>\$ 150,610</u>

The accompanying notes are an integral part of this statement.

Reconciliation of the Governmental Funds Balance Sheet
to Statement of Net Position
September 30, 2017

Total fund balance - total governmental funds	\$ 71,705
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 governmental funds balance sheets.	1,140,861
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Long term debt	<u>(28,516)</u>
Net position of governmental activities	<u>\$ 1,184,050</u>

The accompanying notes are an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the Year Ended September 30, 2017

	General Fund	Major Fund Special Revenue Fund Sales Tax Fund	Total Governmental Funds
Revenues			
Taxes:			
Ad valorem	\$ 54,455	\$ -	\$ 54,455
Sales	-	212,231	212,231
Franchise	29,135	-	29,135
Charges for services	65,416	7,320	72,736
Intergovernmental:			
Federal grants	-	25,750	25,750
Occupational licenses and permits	28,710	-	28,710
Fines and forfeitures	182,642	-	182,642
Investment income	-	66	66
Rentals	6,320	-	6,320
Other revenues	525	-	525
Total revenues	\$ 367,203	\$ 245,367	\$ 612,570
Expenditures			
General government	\$ 193,870	\$ -	\$ 193,870
Public safety	125,502	-	125,502
Public works	32,789	121,847	154,636
Recreation	1,010	-	1,010
Debt service:			
Principal	6,125	-	6,125
Interest	854	-	854
Capital outlay	-	67,466	67,466
Total expenditures	\$ 360,150	\$ 189,313	\$ 549,463
Net change in fund balance	\$ 7,053	\$ 56,054	\$ 63,107
Fund balances at beginning of year	(29,601)	38,199	8,598
Fund balances at end of year	\$ (22,548)	\$ 94,253	\$ 71,705

The accompanying notes are an integral part of this statement.

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balance of Governmental Funds to the
Statement of Activities
For the Year Ended September 30, 2017

Net change in fund balances - total governmental funds	\$	63,107
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.</p>		
Sales tax fund	67,466	67,466
<p>Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds.</p>		
		(54,568)
<p>Repayment of principal on long term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of long term debt repayments.</p>		
		6,125
Change in net position of governmental activities	\$	82,130

The accompanying notes are an integral part of this statement.

Statement of Net Position
 Proprietary Fund
 September 30, 2017

	Business-type Activities - Enterprise Fund <u>Water and Sewer</u>
ASSETS	
Current Assets	
Cash	\$ 151,957
Receivables:	
Accounts	41,274
Total current assets	<u>\$ 193,231</u>
Noncurrent Assets	
Capital assets not being depreciated	\$ 31,350
Capital assets being depreciated - net	2,616,031
Total noncurrent assets	<u>\$ 2,647,381</u>
Total assets	<u><u>\$ 2,840,612</u></u>
LIABILITIES	
Current Liabilities	
Accounts payable	\$ 12,272
Payroll taxes payable	244
Due to other funds	16,095
Total current liabilities	<u>\$ 28,611</u>
Noncurrent Liabilities	
Customer deposits	<u>\$ 15,028</u>
Total liabilities	<u>\$ 43,639</u>
NET POSITION	
Net investment in capital assets	\$ 2,647,381
Unrestricted	149,592
Total net position	<u>\$ 2,796,973</u>
Total liabilities and net position	<u><u>\$ 2,840,612</u></u>

The accompanying notes are an integral part of this statement.

Statement of Revenues, Expenses and Changes in Net Position
 Proprietary Fund
 For the Year Ended September 30, 2017

	Business-type Activities - Enterprise Fund <u>Water and Sewer</u>
Operating revenues	
Charges for services	<u>\$ 267,650</u>
Operating expenses	
Personal services	\$ 58,483
Supplies	33,156
Contractual services	71,997
Depreciation	100,109
Total operating expenses	<u>\$ 263,745</u>
Income (loss) from operations	<u>\$ 3,905</u>
Nonoperating revenues (expenses)	
Investment income	<u>\$ 21</u>
Income (loss) before contributions and transfers	<u>\$ 3,926</u>
Capital contributions	<u>\$ 34,500</u>
Change in net position	\$ 38,426
Net position at beginning of year	<u>2,758,547</u>
Net position at end of year	<u><u>\$ 2,796,973</u></u>

The accompanying notes are an integral part of this statement.

Statement of Cash Flows
Proprietary Fund
For the Year Ended September 30, 2017

	Business-type Activities - Enterprise Fund <u>Water and Sewer</u>
Cash flows from operating activities:	
Cash received from customers	\$ 267,816
Cash payments to suppliers for goods and services	(98,148)
Cash payments to employees for services	(64,904)
Net cash provided by operating activities	<u>\$ 104,764</u>
Cash flows from capital financing activities:	
Contribution capital received	\$ 34,500
Net cash provided by capital financing activities	<u>\$ 34,500</u>
Cash flows from noncapital financing activities:	
Due to other funds	\$ (24,038)
Net cash used by noncapital financing activities	<u>\$ (24,038)</u>
Cash flows from investing activities:	
Interest on cash and investments	<u>\$ 21</u>
Net increase (decrease) in cash and cash investments	\$ 115,247
Cash and cash investments, beginning	36,710
Cash and cash investments, ending	<u>\$ 151,957</u>
Reconciliation of income (loss) from operations to net cash provided by operating activities:	
Income from operations	\$ 3,905
Adjustments to reconcile income (loss) from operations to net cash provided by operating activities:	
Depreciation	\$ 100,109
Change in assets and liabilities:	
Decrease in accounts receivable	720
Decrease in payroll taxes payable	(2,061)
Increase in accounts payable	7,005
Decrease in customer deposits	(5,077)
Decrease in salaries payable	(4,360)
Decrease in sewer assessments receivable	4,523
Net cash provided by operating activities	<u>\$ 104,764</u>

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

Village of Florien, Louisiana
Notes to the Financial Statements
As of and for the Year Ended September 30, 2016

INTRODUCTION

The Village of Florien was incorporated under the provisions of the Lawrason Act. The Village operates under a Mayor-Board of Aldermen form of government.

The accounting and reporting policies of the Village of Florien conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

The Village maintains a general fund that provides police protection, garbage collection and recreation for its citizens, a sales tax fund that provides for repairs and maintenance of approximately 12 miles of roads and streets, and an enterprise fund that provides water and sewer services to approximately 320 residents. The Village also maintains other funds as necessary for other operations.

The Village is located within Sabine Parish in the southwestern part of the State of Louisiana and is comprised of approximately 700 residents. The governing board is composed of three elected aldermen that are compensated for the regular and special board meetings they attend. There are approximately eight employees that provide clerical services, maintain the water and sewer systems, provide police protection, and garbage collection for the Village.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the municipality is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the municipality 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-Wide and Fund Financial Statements

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as is 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

Village of Florien, Louisiana

Notes to the Financial Statements (Continued)

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. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Village reports the following major governmental funds:

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

The Special Revenue Fund accounts for and reports the proceeds of specific revenue sources, in the Village's case, sales taxes, that are restricted to expenditures for specific purposes other than debt service or capital projects.

The Village reports the following major proprietary fund:

The Proprietary Fund accounts for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Charges for services of providing water and sewer services to residents comprise the operating revenue of the Village's enterprise fund. Operating expenses for enterprise funds include the cost of sales and services, administrative expense, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Village of Florien, Louisiana

Notes to the Financial Statements (Continued)

The Village has not established a policy for use of its unrestricted fund balance, therefore it considers committed fund balances to be used first, then assigned fund balances to be used next and finally the unassigned fund balance will be used.

C. Deposits

The Village’s cash and cash equivalents are considered to be cash on hand, demand deposits, time deposits and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Village’s investment policy allow the Village to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

D. Receivables and Payables

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

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

The Village levies taxes on real business and personal property located within the boundaries of the Village. Property taxes are levied by the Village on property values assessed by the Sabine Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

The Village of Florien bills and collects property taxes for the Village. The Village recognizes property tax revenues when levied.

Property Tax Calendar	
Assessment date	January 1, 2016
Levy date	June 30, 2016
Tax bills mailed	October 15, 2016
Total taxes are due	December 31, 2016
Penalties & interest due	January 31, 2017
Lien date	January 31, 2017
Tax sale	May 31, 2017

For the year ended September 30, 2017, taxes of 7.81 mills were levied on property with an assessed valuation totaling \$7,180,410, and were dedicated as follows:

	Authorized Millage	Levied Millage	Expiration Date
Taxes due for:			Renewed
General corporate tax	7.81	7.81	Annually

Village of Florien, Louisiana

Notes to the Financial Statements (Continued)

All trade and property tax receivables are shown net of an allowance for uncollectibles. Property taxes are collected by the Village, if taxes are not paid, a sheriff's sale is held by the Sabine Parish Sheriff and the property is sold to satisfy the taxes due on that property. Due to this, the majority, if not all property taxes are collected, therefore no allowance account for uncollectibles has been established. Water and sewer charges have customer deposits that have been collected in advance therefore the majority of all water and sewer billing is collected or taken out of the customer's deposit, any allowance account would be immaterial, therefore one has not been established.

The following are the principal taxpayers and related property tax revenue for the municipality:

Taxpayer	Type of Business	Assessed Valuation	% of Total Assessed Valuation	Ad Valorem Tax Revenue for Municipality
Boise Building Solutions	Plywood plant	\$ 3,802,292	52.95%	\$ 29,701

Sales Taxes

The Village of Florien receives a one percent perpetual sales tax, which is to provide additional funds for the construction, repairs and maintenance of streets within the village and for general maintenance of the Village of Florien.

E. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

F. Restricted Assets

Sales taxes are shown as restricted assets because their use is restricted to maintenance of streets and roadways within the village, and general maintenance of the Village of Florien.

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Village maintains a threshold level of \$5,000 or more for capitalizing capital assets.

According to GASB 34 the Village of Florien was not required to retroactively report infrastructure assets in its financial statements, therefore, these assets have not been reported in the financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was paid or included as part of the cost of capital assets under construction in construction projects.

Village of Florien, Louisiana

Notes to the Financial Statements (Continued)

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

<u>Description</u>	<u>Estimated Lives</u>
Roads, bridges, and infrastructure	40-50 years
Land improvements	40-50 years
Buildings and building improvements	40-50 years
Furniture and fixtures	5-15 years
Vehicles	5-10 years
Equipment	3-15 years

H. Compensated Absences

The Village has the following policy relating to vacation and sick leave:

The Village allows employees to accumulate up to ten days of sick leave per year with the accumulation of leave days for up to two years with the approval of the mayor. The vacation policy allows for ten days of vacation leave per year. Neither sick leave nor vacation leave is compensated for if not used. The Village has no obligation to pay any other benefits.

I. Long-Term Obligations

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

J. Restricted Net Position

For government-wide statement of net position, net position is reported as restricted when constraints placed on net position use either:

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

K. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the Village, which are either unusual in nature or infrequent in occurrence.

L. Estimates

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

M. Fund Balances

Restricted Amounts that are restricted to specific purposes should be reported as *restricted fund balance*. Fund balance should be reported as restricted when constraints placed on the use of resources are either:

Village of Florien, Louisiana

Notes to the Financial Statements (Continued)

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

Unassigned Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGET INFORMATION The Village uses the following budget practices:

1. The Village Clerk and Mayor prepare a proposed budget and submit same to the Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after the publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen. These amended amounts are shown in the financial statements.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. The budgets for the General Fund and Special Revenue Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Aldermen.

EXCESS OF EXPENDITURES OVER APPROPRIATIONS The following individual funds have actual expenditures over budgeted appropriations for the year ended September 30, 2017.

Fund	Original Budget	Final Budget	Actual	Unfavorable Variance
General Fund	\$ 942,000	\$ 354,848	\$ 360,150	\$ 5,302
Sales Tax Fund	130,000	184,737	189,313	4,576

Village of Florien, Louisiana

Notes to the Financial Statements (Continued)

3. CASH AND CASH EQUIVALENTS

At September 30, 2017, the Village has cash and cash equivalents (book balances) totaling \$267,679 as follows:

Savings	\$	3,251
Demand deposits		170,303
NOW accounts		15,961
Petty cash		1,441
Money market investment accounts		<u>76,723</u>
Total	\$	<u>267,679</u>

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 at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At September 30, 2017, the Village has \$283,953 in deposits (collected bank balances). These deposits are secured from risk by \$283,953 of federal deposit insurance.

4. RECEIVABLES

The receivables of \$60,067 at September 30, 2017, are as follows:

<u>Class of receivable</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Proprietary Fund</u>	<u>Total</u>
Taxes:				
Sales and use	\$ -	\$ 16,150	\$ -	\$ 16,150
Franchise	2,643	-	-	2,643
Accounts	-	-	41,274	41,274
Total	<u>\$ 2,643</u>	<u>\$ 16,150</u>	<u>\$ 41,274</u>	<u>\$ 60,067</u>

Village of Florien, Louisiana

Notes to the Financial Statements (Continued)

5. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended September 30, 2017, for the primary government is as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 65,161	\$ -	\$ -	\$ 65,161
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>\$ 65,161</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,161</u>
Capital assets being depreciated				
Vehicles	\$ 62,841	\$ 34,641	\$ -	\$ 97,482
Buildings	97,608	-	-	97,608
Improvements other than buildings	933,773	67,466	-	1,001,239
Machinery and equipment	111,062	-	-	111,062
Total capital assets being depreciated	<u>\$ 1,205,284</u>	<u>\$ 102,107</u>	<u>\$ -</u>	<u>\$ 1,307,391</u>
Less accumulated depreciation for:				
Vehicles	\$ 33,844	\$ 16,787	\$ -	\$ 50,631
Buildings	14,456	4,227	-	18,683
Improvements other than buildings	98,829	23,638	-	122,467
Machinery and Equipment	29,994	9,916	-	39,910
Total accumulated depreciation	<u>\$ 177,123</u>	<u>\$ 54,568</u>	<u>\$ -</u>	<u>\$ 231,691</u>
Total capital assets being depreciated, net	<u>\$ 1,028,161</u>	<u>\$ 47,539</u>	<u>\$ -</u>	<u>\$ 1,075,700</u>

Village of Florien, Louisiana

Notes to the Financial Statements (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 31,350	\$ -	\$ -	\$ 31,350
Work in progress	-	-	-	-
Total capital assets not being depreciated	<u>\$ 31,350</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,350</u>
Capital assets being depreciated				
Utility plant	\$ 4,010,447	\$ -	\$ -	\$ 4,010,447
Machinery and equipment	264,525	-	-	264,525
Vehicles	7,500	-	-	7,500
Total capital assets being depreciated	<u>\$ 4,282,472</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,282,472</u>
Less accumulated depreciation for:				
Utility plant	\$ 1,445,632	\$ 89,571	\$ -	\$ 1,535,203
Machinery and equipment	115,450	9,538	-	124,988
Vehicles	5,250	1,000	-	6,250
Total accumulated depreciation	<u>\$ 1,566,332</u>	<u>\$ 100,109</u>	<u>\$ -</u>	<u>\$ 1,666,441</u>
Total business-type assets being depreciated, net	<u>\$ 2,716,140</u>	<u>\$ (100,109)</u>	<u>\$ -</u>	<u>\$ 2,616,031</u>

Depreciation expense of \$54,568 for the year ended September 30, 2017, was charged to the following governmental functions:

Recreation	\$ 2,695
Public works	6,514
Public safety	41,737
General administration	3,622
Total	<u>\$ 54,568</u>

6. ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$42,449 at September 30, 2017, are as follows:

	General Fund	Special Revenue Fund	Proprietary Fund	Total
Payroll taxes	\$ 1,149	\$ 304	\$ 244	\$ 1,697
Accounts	9,587	3,840	12,272	25,699
Customer deposits	25	-	15,028	15,053
Total	<u>\$ 10,761</u>	<u>\$ 4,144</u>	<u>\$ 27,544</u>	<u>\$ 42,449</u>

Village of Florien, Louisiana

Notes to the Financial Statements (Continued)

7. RESTRICTED FUND BALANCE

The Special Revenue Fund – The Sales Tax Fund had restricted fund balance available as follows:

Restricted assets:	
Cash	\$ 78,707
Sales taxes receivable	16,150
Due from other funds	3,540
Total restricted assets	<u>\$ 98,397</u>
Less:	
Liabilities payable from restricted assets:	
Accounts payable	\$ 3,840
Payroll taxes payable	304
Total liabilities payable from restricted assets	<u>\$ 4,144</u>
Restricted fund balance	<u>\$ 94,253</u>

8. DUE TO/FROM OTHER FUNDS

The composition of interfund balances on September 30, 2017, are as follows:

	<u>Due to</u>	<u>Due from</u>
General fund	\$ -	\$ 12,555
Utility fund	16,095	-
Sales Tax fund	-	3,540
Total	<u>\$ 16,095</u>	<u>\$ 16,095</u>

The small balances result from one fund paying expenditures/expenses of another fund and will be liquidated during the following year. The larger balance is to transfer garbage collection fees collected in the utility fund to the general fund.

9. DEFICIT FUND BALANCE

The general fund had a deficit fund balance of \$22,548 as of September 30, 2017. The village council is aware of this deficit and monitoring general fund operations in order to eliminate the deficit. The prior year had an ending deficit in the general fund balance of \$29,601 and this year the deficit decreased by \$7,053.

10. DEFERRED FRANCHISE TAX REVENUE

For the year ending September 30, 2014, the Village of Florien entered into a fifteen year franchise tax agreement with Southwest Electric Power Company (SWEPCO). The agreement called for SWEPCO to pay a sum of \$80,000 to the Village of Florien that represents 1% of the gross receipts of electricity sales expected within the corporate limits of the Village over the term of the agreement which is fifteen years. As a result of this agreement, the initial payment of \$80,000 will be amortized over this fifteen year agreement and shown each year as deferred franchise tax revenue on the balance sheet of the general fund. As of September 30, 2017, the unamortized balance of the franchise tax payment is \$64,000.

Village of Florien, Louisiana

Notes to the Financial Statements (Concluded)

11. LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended September 30, 2017.

	Governmental Funds <u>Note Payable</u>
Long-term obligations at beginning of year	\$ -
Additions	34,641
Deductions	<u>(6,125)</u>
Long-term obligations at end of year	<u>\$ 28,516</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of September 30, 2017.

	Governmental Funds <u>Note Payable</u>
Current portion	\$ 8,425
Long-term portion	<u>20,091</u>
Total	<u>\$ 28,516</u>

Note Payable outstanding at September 30, 2017 for \$28,516 has maturities from 2017 – 2020 and interest at the rate of 3.57%. Note principal and interest payable in the next fiscal year are \$8,425 and \$881 respectively. The individual issue is as follows:

Bond	Original Issue	Interest Rate	Final Payment Due	Interest to Maturity	Principal Outstanding	Funding Source
Note Payable	\$ 34,641	3.57%	12/26/2020	\$ 1,729	\$ 28,516	General fund revenues

<u>Year Ending September 30,</u>	Principal Payments	Interest Payments	Total
2018	\$ 8,425	\$ 881	\$ 9,306
2019	8,731	575	9,306
2020	9,048	258	9,306
2021	<u>2,312</u>	<u>15</u>	<u>2,327</u>
Total	<u>\$ 28,516</u>	<u>\$ 1,729</u>	<u>\$ 30,245</u>

REQUIRED SUPPLEMENTAL INFORMATION

General Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual
 For the Year Ended September 30, 2017

	Budgeted Amounts		Actual Amount	Budget to Actual differences over (under)
	Original	Final		
Revenues				
Taxes:				
Ad valorem	\$ 50,000	\$ 54,455	\$ 54,455	\$ -
Franchise fees	23,600	24,067	29,135	5,068
Charges for services	30,800	65,416	65,416	-
Intergovernmental:				
Federal grants	500	-	-	-
State grants	425,000	-	-	-
Occupational licenses and permits	30,300	28,710	28,710	-
Fines and forfeitures	167,800	182,642	182,642	-
Rentals	2,000	6,320	6,320	-
Other revenue	-	282	525	243
Total revenues	<u>\$ 730,000</u>	<u>\$ 361,892</u>	<u>\$ 367,203</u>	<u>\$ 5,311</u>
Expenditures				
General government and administration	\$ 200,000	\$ 189,869	\$ 193,870	\$ (4,001)
Public safety	150,000	131,423	125,502	5,921
Public works	20,000	32,546	32,789	(243)
Recreation	5,000	1,010	1,010	-
Debt service:				
Principal	-	-	6,125	(6,125)
Interest	-	-	854	(854)
Capital outlay	567,000	-	-	-
Total expenditures	<u>\$ 942,000</u>	<u>\$ 354,848</u>	<u>\$ 360,150</u>	<u>\$ (5,302)</u>
Net change in fund balance	\$ (212,000)	\$ 7,044	\$ 7,053	\$ 9
Fund balances at beginning of year	<u>(30,000)</u>	<u>(29,601)</u>	<u>(29,601)</u>	<u>-</u>
Fund balances at end of year	<u><u>\$ (242,000)</u></u>	<u><u>\$ (22,557)</u></u>	<u><u>\$ (22,548)</u></u>	<u><u>\$ 9</u></u>

Special Revenue Fund
Sales Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the Year Ended September 30, 2017

	Budgeted Amounts		Actual Amount	Budget to Actual differences over (under)
	Original	Final		
Revenues				
Taxes:				
Sales	\$ 230,000	\$ 210,431	\$ 212,231	\$ 1,800
Intergovernmental:				
Federal grants	-	25,750	25,750	-
Charges for services	7,000	7,320	7,320	-
Investment income	-	66	66	-
Total revenues	<u>\$ 237,000</u>	<u>\$ 243,567</u>	<u>\$ 245,367</u>	<u>\$ 1,800</u>
Expenditures				
Public works	\$ 130,000	\$ 117,271	\$ 121,847	\$ (4,576)
Capital outlay	-	67,466	67,466	-
Total Expenditures	<u>\$ 130,000</u>	<u>\$ 184,737</u>	<u>\$ 189,313</u>	<u>\$ (4,576)</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 107,000</u>	<u>\$ 58,830</u>	<u>\$ 56,054</u>	<u>\$ (2,776)</u>
Other financing sources (uses)				
Transfers out	<u>\$ (70,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance	\$ 37,000	\$ 58,830	\$ 56,054	\$ (2,776)
Fund balances at beginning of year	<u>40,000</u>	<u>38,199</u>	<u>38,199</u>	<u>-</u>
Fund balances at end of year	<u><u>\$ 77,000</u></u>	<u><u>\$ 97,029</u></u>	<u><u>\$ 94,253</u></u>	<u><u>\$ (2,776)</u></u>

OTHER SUPPLEMENTAL SCHEDULES

Schedule of Per Diem Paid to Board Members
Year Ended September 30, 2017

<u>Board Members</u>	<u>Total Paid</u>
Bradley Marr	\$ 1,750
Suzanne Williams	1,375
Tanja Charles	<u>1,750</u>
	<u>\$ 4,875</u>

Schedule of Compensation, Benefits and
Other Payments to Agency Head
Year Ended September 30, 2017

Mayor Eddie Jones, Jr.

Purpose	Amount
Salary	\$ 10,800
Benefits - insurance	-
Benefits - retirement	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
Cell phone	423

OTHER REPORTS

Schedule of Prior Year Audit Findings
 Year Ended September 30, 2017

Finding – Financial Statement Audit

Audit Finding No. 2016-1

Budget Variances Greater Than Five-Percent

Condition: The general fund had variances of actual amount budgetary basis expenditures over final budgeted expenditures of 6.36%.

Criteria: The local governmental budget act states that when actual amount budgetary basis expenditures exceed budgeted expenditures by more than 5% the local governing body is to be notified and the budget should be amended to keep the variance within 5% as required by state law.

Cause and Condition: The budgets for the three funds of the Village are done on a consolidated basis. When the general fund budget was broken out the budget variance was greater than 5%.

Effect of Condition: The failure to budget capital outlay left variances between actual budgetary expenditures and budgetary expenditures that were greater than the 5% as required by state law. This created a violation of the Louisiana Local Governmental Budget Act.

Recommendation: We recommend that all future budgets and amended budgets be closely reviewed for any missing revenues or expenditures. I also feel that a third party accountant be contracted with to help with budget preparation and review. The budgets should also be kept separately for each fund in order to more accurately track budget variances.

Date of Original Occurrence: September 30, 2014

Corrective Action Taken: Yes

Schedule of Prior Year Audit Findings
Year Ended September 30, 2017

Audit Finding No. 2016-2

Deficit Budgeted in the General Fund

Condition: Both the original and final amended budgets had deficits budgeted in the ending fund balances.

Criteria: The Louisiana Local Government Budget Act states that in no event shall a budget or a budget amendment be adopted that proposes expenditures that exceed the total of estimated funds available for the fiscal year.

Cause and Condition: The general fund had a negative beginning fund balance and the original budget balanced budgeted revenues with budgeted expenditures leaving the same negative fund balance budgeted. The amended budget actually budgeted expenditures in excess of revenues also leaving a negative fund balance budgeted.

Effect of Condition: Violation of the Louisiana Local Government Budget Act by budgeting deficits in ending fund balances.

Recommendation: We recommend that all sources of revenues and expenditures be budgeted by the Village and that adopted budgets have budgeted revenues and expenditures that leave a positive budgeted fund balance.

Date of Original Occurrence: September 30, 2015

Corrective Action Taken: No

Schedule of Current Year Audit Findings and Management's Response
Year Ended September 30, 2017Audit Finding No. 2017-1Deficit Budgeted in the General Fund

- Condition: Both the original and final amended budgets had deficits budgeted in the ending fund balances.
- Criteria: The Louisiana Local Government Budget Act states that in no event shall a budget or a budget amendment be adopted that proposes expenditures that exceed the total of estimated funds available for the fiscal year.
- Cause and Condition: The general fund had a negative beginning fund balance and the original budget budgeted expenditures in excess of revenues leaving a larger negative fund balance budgeted. The amended budget actually balanced budgeted expenditures with budgeted revenues but with a beginning negative fund balance. This also left a negative ending fund balance.
- Effect of Condition: Violation of the Louisiana Local Government Budget Act by budgeting deficits in ending fund balances.
- Recommendation: We recommend that all sources of revenues and expenditures be budgeted by the Village and that adopted budgets have budgeted revenues and expenditures that leave a positive budgeted fund balance.

This is a repeat comment from September 30, 2015.

Village of Florien

Schedule 6

Mayor– Eddie Jones, Jr. *Council– Bradley Marr, Tanja Charles, Suzanne Williams*
Clerk/Treasurer–Geri Alford
Chief of Police–Herman R. Love

March 26, 2018

Mr. Daryl G. Purpera, CPA, CFE
Louisiana Legislative Auditor
PO Box 94937
Baton Rouge, La. 70804-9397

Finding Financial Audit:
Audit Finding No. 2017-1

Dear Sir,

The Village of Florien received our audit comments of which we had one deficiency.

2017-1 audit finding was related to a budgeted deficit. The budget was prepared before our 2016-2017 audit report was completed. The Village was informed then by auditing firm. The budget process will be stringently monitored to prevent this condition from occurring.

I respectfully submit this response and humbly request that you find in favor of the Village of Florien. Our municipality runs with a minimal number of employees and we strive to be as transparent and free of negative findings as possible. The Village of Florien will continue to operate under the Louisiana Government Budget Act with due diligence.

Sincerely,

Eddie Jones, Jr.
Mayor

EJ/ga

Windham & Reed, L.L.C.

Certified Public Accountants

1620 North Pine Street
DeRidder, LA 70634
Tel: (337) 462-3211
Fax: (337) 462-0640

John A. Windham, CPA
Charles M. Reed, Jr., CPA

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

The Honorable Eddie Jones, Jr., Mayor
and Members of the Board of Aldermen
Village of Florien, 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, the business-type activities and each major fund of the Village of Florien, Louisiana as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Village of Florien, Louisiana's basic financial statements, and have issued our report thereon dated March 16, 2018.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, we considered the Village of Florien, Louisiana's internal control over financial reporting (internal control) to determine the 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 of Florien, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Florien, Louisiana's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However as described in the accompanying schedule of current year audit findings and management's response we identified certain deficiencies in internal 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 deficiency described in the accompanying schedule of current year audit findings and management's response to be a material weakness. Audit Finding No. 2017-1.

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 deficiency described in the accompanying schedule of current year audit findings and management's response to be a significant deficiency. Audit Finding No. 2017-1.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Florien, Louisiana’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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my 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 current year audit findings and management’s response as item Audit Findings No. 2017-1.

Village of Florien’s Response to Finding

The Village of Florien, Louisiana’s response to the finding identified in our audit is described in a separate management’s response letter. The Village of Florien, Louisiana’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



DeRidder, Louisiana
March 16, 2018

Windham & Reed, L.L.C.

Certified Public Accountants

1620 North Pine Street
DeRidder, LA 70634
Tel: (337) 462-3211
Fax: (337) 462-0640

John A. Windham, CPA
Charles M. Reed, Jr., CPA

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

The Honorable Eddie Jones, Jr., Mayor
and Members of the Board of Aldermen
Village of Florien, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Village of Florien, Louisiana (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period October 1, 2016 through September 30, 2017. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
There were no written policies for budgeting.
 - 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.
Written policies and procedures were obtained and address the functions above.
 - c) **Disbursements**, including processing, reviewing, and approving
Written policies and procedures were obtained and address the functions above.
 - d) **Receipts**, including receiving, recording, and preparing deposits
Written policies and procedures were obtained and address the functions above.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
Written policies and procedures were obtained and address the functions above.
- 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
There were no written policies for contracting.
- 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, and (5) monitoring card usage
Written policies and procedures were obtained and address the functions above.
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
Written policies and procedures were obtained and address the functions above.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
There was no written policy for ethics.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
There was no written policy for debt service.

Board (or Finance Committee, if applicable)

- 2. Obtain and review the board/committee minutes for the fiscal period, and:
 - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
The Board of Aldermen met monthly with a quorum.
 - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
The minutes do not reference monthly budget-to-actual comparisons for the General Fund and Special Revenue Fund.
 - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

The minutes do reference non-budgetary financial information monthly.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

We obtained a complete listing of the Village's bank accounts and management's representation that the listing is complete.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

Monthly bank statements and bank reconciliations were obtained for selected bank accounts each month of the fiscal year. No exceptions were noted.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

The bank reconciliations do not provide evidence of management review.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Management has documentation that it has researched reconciling items that have been outstanding for more than six months.

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

A listing of cash collection locations and management's representation has been obtained. All cash collections take place at the Village of Florien, Louisiana's office.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

All individuals responsible for collecting cash are bonded. One cash drawer is used at the location. At times the same person collecting cash, deposits the cash in the bank, records the transaction and reconciles the related bank accounts.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

The Village has no formal process to reconcile cash collections to the general ledger. The Village's clerk performs this reconciliation and at times is also the person taking cash at this location.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

No exceptions were noted.

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Daily cash collections were supported by related collection reports and documentation.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and 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) by a person who is not responsible for collections.

Written documentation of all collections obtained. Not all collection procedures are performed by a person who is not responsible for collections.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

We obtained a listing along with management's representation.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

A purchase order or requisition system is used. Approval for disbursements is made by the Mayor and payments are processed by the Village Clerk.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
Approval for disbursements is made by the Mayor and payments are processed by the Village Clerk.
- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.
Each examined invoice after implementation of the purchase order system had proper approval without any exceptions noted.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

The person responsible for processing payments is not prohibited from adding vendors.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

The person with signing authority can also initiate or record purchases.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Observations and inquiries were made. Unused checks are maintained in a locked location and the Village Clerk with signatory authority also has access to these unused checks.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

Signature stamp is used. The signer does control his signature and the stamp is only issued with his knowledge or consent.

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

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), 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.

A listing of active credit cards along with management's representation was obtained.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

Monthly statements were obtained. No exceptions were noted.

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

There was no evidence that any finance charges or late fees were assessed.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)

No exceptions were noted

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

Obtained documentation of the business purpose. No exceptions were noted.

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

Documentation obtained – no exceptions noted.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

No exceptions were noted.

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions were noted.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

A listing of all travel and related expense reimbursements along with management's representation was obtained.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

Obtained the Village's written policies related to travel and expense reimbursements, noting amounts to be reimbursed are paid in accordance with the board's policy. No amounts exceeded the U.S. General Services Administration guidelines.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

No exceptions were noted.

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

Each expense was supported by an itemized receipt.

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

Business or public purposes were documented.

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

Documentation obtained – no exceptions noted.

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions were noted.

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Each travel and related reimbursement payment had proper supporting documentation. Each payment was reviewed and approved by someone other than the person receiving the reimbursement.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Obtained a listing of all contracts in effect along with management's representation.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

Formal or written contracts were noted for the selected vendors.

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

Each contract complied with all legal requirements.

- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

Not applicable.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

Not applicable.

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

Invoices and related payments were in compliance with contract terms and conditions.

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

There is documentation of board approval for all contracts selected.

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

Obtained a listing of employees with their related salaries along with management's representation.

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

No exceptions were noted.

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

There were no changes made to the selected employees.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

The selected employees documented their daily attendance and leave.

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

No exceptions were noted.

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

No exceptions were noted.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

Not applicable.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

No exceptions were noted.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under “Payroll and Personnel” above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

Obtained ethics compliance documentation – no exceptions noted.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management’s actions complied with the entity’s ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

No alleged ethics violations were reported to the entity during the year.

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

Debt was issued and the State Bond Commission approval was not required by the debt contract.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

The entity made scheduled debt service payments during the year and properly maintained all debt sinking and reserve funds.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

Not applicable.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

The entity had no misappropriation of public funds reported during the year.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

The Village has posted the required notice on its premises but not on its website.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

No exceptions were noted.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

Windham & Reed CPA, L.L.C.
DeRidder, Louisiana
March 16, 2018