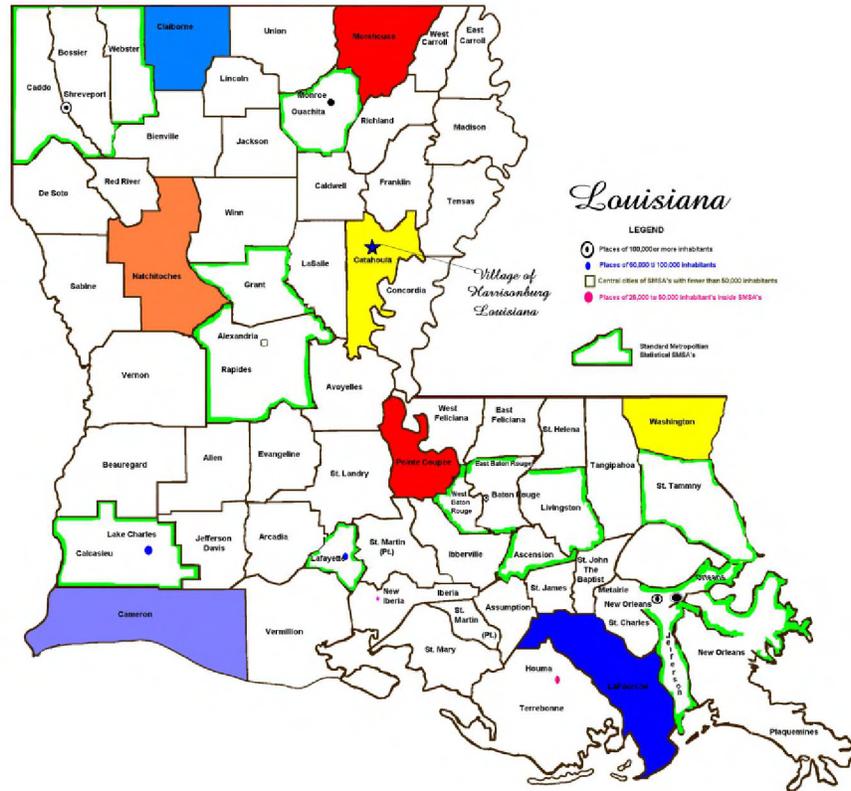


VILLAGE OF HARRISONBURG, LOUISIANA

Annual Financial Statements

JUNE 30, 2022

VILLAGE OF HARRISONBURG HARRISONBURG, LOUISIANA



The Village of Harrisonburg was incorporated October 18, 1923, under the provisions of the Lawrason Act. The Village operates under the Mayor-Board of Alderman form of government. The Village provides the following significant services to its residents as provided by its charter: public safety (police and fire), highways and streets, utilities (water, gas and sewer services) and general administrative functions, including coordination of related services with parish, state and federal governing bodies.

Village of Harrisonburg, Louisiana
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INDEPENDENT AUDITOR'S REPORT

The Honorable Michael Tubre, Mayor
& Members of the Village Council
Harrisonburg, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the business-type activities of the Village of Harrisonburg, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Village of Harrisonburg'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 and the business-type activities of the Village of Harrisonburg, as of June 30, 2022, 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 of Harrisonburg and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village of Harrisonburg'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 judgment 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 of Harrisonburg'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 of Harrisonburg'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 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Harrisonburg's basic financial statements. The Schedule of Compensation, Benefits and other Payments to Agency Head or Chief Executive Officer and Justice System Funding Schedule 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. The 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 Compensation, Benefits and other Payments to Agency Head or Chief Executive Officer and the Justice System Funding Schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 1, 2023, on our consideration of the Village of Harrisonburg'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 of Harrisonburg'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 Village of Harrisonburg's internal control over financial reporting and compliance.

The Vercher Group

Jena, LA

February 1, 2023

Village of Harrisonburg

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Harrisonburg, Louisiana 71340

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Village, we offer readers of the Village of Harrisonburg's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with the Village's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999.

FINANCIAL HIGHLIGHTS

Governmental Funds

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$477,914 (*net position*). This is a \$17,249 decrease from last year.
- The Village had total revenue of \$149,877. This is a \$19,750 increase from last year's revenues, mainly due to an increase in fines in the amount of \$6,437.
- The Village had total expenditures of \$261,933, which is a \$38,764 decrease from last year.

Enterprise Fund

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$1,980,006 (*net position*). This is a \$6,072 decrease from last year.
- The Village had total revenue of \$1,014,004. This is a \$166,801 increase from last year, mainly due to an increase in sewer charges in the amount of \$93,848.
- The Village had total expenses of \$870,016. This is a \$151,963 increase from last year, mainly due to an increase in utility purchase cost in the amount of \$89,383.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements consist of two components: 1) fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The Village is a special-purpose entity engaged only in governmental activities. Accordingly, only fund financial statements are presented as the basic financial statements.

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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

USING THIS ANNUAL REPORT

The Village's annual report consists of financial statements that show information about the Village's funds, enterprise funds and governmental funds.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the basic financial statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the other information included in this report. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

REPORTING THE VILLAGE'S MOST SIGNIFICANT FUNDS

The Village's financial statements provide detailed information about the most significant funds. The Village may establish other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using capital contributions and other money. The Village's enterprise fund uses the following accounting approach:

All of the Village's services are reported in an enterprise fund. They are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The focus of proprietary funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

MD&A

Governmental Funds

Comparative Statement of Net Position as of June 30, 2022:

	2021	2022	% Change
Assets			
Cash & Investments	\$ 147,052	\$ 171,713	16.8
Receivables (Net)	12,644	14,368	13.6
Capital Assets, Net of Accumulated Depreciation	357,734	319,604	-10.7
Total Assets	<u>517,430</u>	<u>505,685</u>	-2.3
Liabilities & Net Position			
Accounts, Salaries, & Other Payables	22,267	27,771	24.7
Notes Payable – Current Portion	-0-	-0-	0.0
Notes Payable – Non-Current	-0-	-0-	0.0
Total Liabilities	<u>22,267</u>	<u>27,771</u>	24.7
Net Position			
Net Investment in Capital Assets	357,734	319,604	-10.7
Unrestricted	137,429	158,310	15.2
Total Net Position	<u>\$ 495,163</u>	<u>\$ 477,914</u>	-3.5

Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances for the year ended June 30, 2022:

	2021	2022	% Change
Revenues			
Fees & Charges	\$ 42,909	\$ 31,022	-27.7
Taxes	76,636	75,402	-1.6
Fines	1,285	7,722	500.9
Intergovernmental-Capital Grants	-0-	-0-	0.0
Other Revenue	9,297	35,731	284.3
Total Revenues	<u>130,127</u>	<u>149,877</u>	15.2
Expenditures			
General Government	110,801	62,052	-44.0
Police	114,928	118,432	3.0
Fire	9,961	14,070	41.3
Sanitation	57,992	67,379	16.2
Debt Service	7,015	-0-	100.0
Capital Outlay	-0-	-0-	0.0
Total Expenditures	<u>300,697</u>	<u>261,933</u>	-12.9
Excess (Deficiency) of Revenues Over Under Expenditures	<u>(170,570)</u>	<u>(112,056)</u>	165.7
Other Financing Sources (Uses)			
Transfers In/(Out)	214,771	132,937	-26.0
Total Other Financing Sources (Uses)	<u>214,771</u>	<u>132,937</u>	-26.0
Net Change in Fund Balance	44,201	20,881	-52.8
Fund Balances - Beginning	93,228	137,429	47.4
Fund Balances - Ending	<u>\$ 137,429</u>	<u>\$ 158,310</u>	15.2

MD&A

Enterprise Fund

Comparative Statement of Net Position as of June 30, 2022:

Assets	2021	2022	% Change
Cash & Cash Equivalents	\$ 59,713	\$ 179,087	199.9
Receivables (Net)	85,595	61,408	-28.3
Restricted Assets	144,931	134,883	-6.9
Capital Assets, Net of Accumulated Depreciation	2,216,540	2,111,690	-4.7
Total Assets	<u>2,506,779</u>	<u>2,487,068</u>	-0.8
Liabilities & Net Position			
Accounts, Salaries, & Other Payables	20,570	28,813	40.1
Accrued Interest	1,685	3,370	100.0
Current Bonds Payable	23,054	18,504	-19.7
Bonds Payable	475,392	456,375	-4.0
Total Liabilities	<u>520,701</u>	<u>507,062</u>	-2.6
Net Position			
Net Investment in Capital Assets	1,718,094	1,636,811	-4.7
Restricted	4,860	11,928	145.4
Unrestricted	263,124	331,267	25.9
Total Net Position	<u>\$ 1,986,078</u>	<u>\$ 1,980,006</u>	-0.3

Comparative Statement of Revenues, Expenses & Changes in Net Position for the year ended June 30, 2022:

Operating Revenues	2021	2022	% Change
Water Sales	\$ 159,183	\$ 195,919	23.1
Sewer Charges	137,276	231,124	68.4
Gas Sales	550,744	586,961	6.6
Total Operating Revenues	<u>847,203</u>	<u>1,014,004</u>	19.7
Operating Expenses			
Operations/Maintenance	255,363	292,496	14.5
Utility Purchases	101,593	190,976	88.0
Administration/Personnel	236,518	261,707	10.6
Depreciation	124,579	124,837	0.2
Total Operating Expenses	<u>718,053</u>	<u>870,016</u>	21.2
Operating Income (Loss)	<u>129,150</u>	<u>143,988</u>	11.5
Nonoperating Revenues (Expenses)			
Interest Income	3	-0-	3266.7
Interest Expense	(14,135)	(17,123)	-20.5
Total Nonoperating Revenues (Expenses)	<u>(14,132)</u>	<u>(17,123)</u>	-20.5
Income Before Contributions & Transfers	<u>115,018</u>	<u>126,865</u>	10.4
Transfers In/(Out)	<u>(214,771)</u>	<u>(132,937)</u>	161.9
Change in Net Position	(99,753)	(6,072)	106.1
Total Net Position - Beginning	2,085,831	1,986,078	-4.8
Total Net Position - Ending	<u>\$ 1,986,078</u>	<u>\$ 1,980,006</u>	-0.3

MD&A

CAPITAL ASSETS & LONG-TERM DEBT

Capital Assets – Governmental Funds

At June 30, 2022, the Village had \$319,604 invested in capital assets, including the following:

Capital Assets at Year-End		
	<u>2021</u>	<u>2022</u>
Land (Not Depreciated)	\$ 26,000	\$ 26,000
Capital Assets	1,037,805	1,037,805
Accumulated Depreciation	(706,071)	(744,201)
Total	<u>\$ 357,734</u>	<u>\$ 319,604</u>

Capital Assets – Enterprise Fund

At June 30, 2022, the Village had \$2,111,690 invested in capital assets, including the following:

Capital Assets at Year-End		
	<u>2021</u>	<u>2022</u>
Land (Not Depreciated)	\$ 10,485	\$ 10,485
Gas System	1,839,933	1,839,933
Water System*	1,443,335	1,443,820
Sewer System	1,912,762	1,932,749
Accumulated Depreciation	(2,989,975)	(3,115,297)
Total	<u>\$ 2,216,540</u>	<u>\$ 2,111,690</u>

* Construction in progress in the amount of \$84,668 in the Water System is not being depreciated.

Long-Term Debt

The following is a summary of revenue bond transactions and general obligation debt transactions of the Village of Harrisonburg for the year ended June 30, 2022.

	<u>Water Revenue Bonds</u>	<u>Sewer Revenue Bonds</u>	<u>Total</u>
Bonds & Notes Payable - Beginning	\$ 200,000	\$ 298,446	\$ 498,446
Additions	-0-	-0-	-0-
Principal Retirements	(17,130)	(6,436)	(23,566)
Total	<u>\$ 182,870</u>	<u>\$ 292,010</u>	<u>\$ 474,880</u>

CONTACTING THE VILLAGE'S FINANCIAL MANGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about this report or need additional information, contact Mayor Michael Tubre at the Village Hall, phone number (318) 744-5794.

Basic Financial Statements

Village of Harrisonburg, Louisiana
Statement of Net Position
June 30, 2022

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Assets			
Cash & Cash Equivalents	\$ 171,713	\$ 179,087	\$ 350,800
Receivables (Net of Allowances)	14,368	61,408	75,776
Restricted Assets	-0-	134,883	134,883
Capital Assets (Net of Accumulated Depreciation)	319,604	2,111,690	2,431,294
Total Assets	505,685	2,487,068	2,992,753
Current Liabilities			
Accounts, Salaries, & Other Payables	27,771	28,813	56,584
Accrued Interest	-0-	3,370	3,370
Current Bonds (Payable from Restricted Assets)	-0-	18,504	18,504
Total Current Liabilities	27,771	50,687	78,458
Non-Current Liabilities			
Revenue Bonds & Notes Payable	-0-	456,375	456,375
Total Non-Current Liabilities	-0-	456,375	456,375
Total Liabilities	27,771	507,062	534,833
Net Position			
Net Investment in Capital Assets	319,604	1,636,811	1,956,415
Restricted	-0-	11,928	11,928
Unrestricted	158,310	331,267	489,577
Total Net Position	\$ 477,914	\$ 1,980,006	\$ 2,457,920

The accompanying notes are an integral part of this statement.

Village of Harrisonburg, Louisiana
Balance Sheet
Governmental Funds
June 30, 2022

		<u>GENERAL</u>
Assets		
Cash & Cash Equivalents	\$	171,713
Receivables (Net of Allowances for Uncollectables)		<u>14,368</u>
Total Assets		<u><u>186,081</u></u>
 Liabilities		
Accounts, Salaries, & Other Payables		<u>27,771</u>
Total Liabilities		<u><u>27,771</u></u>
 Fund Balance		
Unassigned		<u>158,310</u>
Total Fund Balance		<u><u>158,310</u></u>
 Total Liabilities & Fund Balance	\$	<u><u>186,081</u></u>

The accompanying notes are an integral part of this statement.

Village of Harrisonburg, Louisiana
Reconciliation of the Government Funds Balance Sheet
to the Government-Wide Financial Statement of Net Position
June 30, 2022

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Fund Balance, Total Governmental Funds (Statement C)	\$ 158,310
Capital assets used in Governmental Activities are not financial resources and, therefore, are not reported in the Governmental Funds.	319,604
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the Governmental Funds.	
Notes Payable	----- -0-
Net Position of Governmental Activities (Statement A)	<u>\$ 477,914</u>

The accompanying notes are an integral part of this statement.

Village of Harrisonburg, Louisiana
Statement of Revenues, Expenditures &
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

	GENERAL
Revenues	
Fees & Charges	\$ 31,022
Ad Valorem Taxes	9,445
Occupational Licenses	25,116
CPJ Sales Tax	40,841
Fines	7,722
Intergovernmental – Capital Grants	-0-
Other Revenue	35,731
Total Revenues	149,877
Expenditures	
General Government	62,052
Public Safety:	
Police	118,432
Fire	14,070
Sanitation	67,379
Debt Service	-0-
Capital Outlay	-0-
Total Expenditures	261,933
Excess (Deficiency) of Revenues Over Under Expenditures	(112,056)
Other Financing Sources (Uses)	
Transfers In/(Out)	132,937
Total Other Financing Sources (Uses)	132,937
Net Change in Fund Balance	20,881
Fund Balances - Beginning	137,429
Fund Balances - Ending	\$ 158,310

The accompanying notes are an integral part of this statement.

Village of Harrisonburg, Louisiana
Reconciliation of the Statement of Revenues, Expenditures,
& Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2022

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

Net Change in Fund Balances, Total Governmental Funds, Statement E		\$	20,881
<p>Governmental Funds report capital outlays as expenditure. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>	<p>Capital Purchases</p> <p>Depr. Expense</p>	<p>-0-</p> <p><u>(38,130)</u></p>	<p></p> <p>(38,130)</p>
<p>The issuance of long-term debt (bonds, leases, etc.) 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. Also, Governmental Funds report the effect of issuance costs premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>	<p>Debt Issued</p> <p>Principal Paid</p>	<p>-0-</p> <p><u>-0-</u></p>	<p></p> <p><u>-0-</u></p>
Changes in Net Position of Governmental Activities, Statement B		\$	<u>(17,249)</u>

The accompanying notes are an integral part of this statement.

Village of Harrisonburg, Louisiana
Statement of Net Position
Proprietary Fund
June 30, 2022

	Enterprise Fund
Current Assets	
Cash & Cash Equivalents	\$ 179,087
Receivables (Net of Allowances for Uncollectibles)	61,408
Total Current Assets	<u>240,495</u>
Non-Current Assets	
Restricted Cash	134,883
Capital Assets (Net of Accumulated Depreciation)	2,111,690
Total Non-Current Assets	<u>2,246,573</u>
Total Assets	<u>2,487,068</u>
Current Liabilities	
Accounts, Salaries, & Other Payables	28,813
Total Current Liabilities	<u>28,813</u>
Current Liabilities Payable From Restricted Assets	
Accrued Interest	3,370
Current Bonds & Interest Payable	18,504
Total Current Liabilities Payable From Restricted Assets	<u>21,874</u>
Total Current Liabilities	<u>50,687</u>
Non-Current Liabilities	
Revenue Bonds & Notes Payable	456,375
Total Non-Current Liabilities	<u>456,375</u>
Total Liabilities	<u>507,062</u>
Net Position	
Net Investment in Capital Assets	1,636,811
Restricted	11,928
Unrestricted	331,267
Total Net Position	<u>\$ 1,980,006</u>

The accompanying notes are an integral part of this statement.

Village of Harrisonburg, Louisiana
Statement of Revenues, Expenses & Changes in Net Position
Proprietary Fund
June 30, 2022

	Enterprise Fund
Operating Revenues	
Charges for Services:	
Water Sales	\$ 195,919
Sewer Charges	231,124
Gas Sales	586,961
Total Operating Revenues	1,014,004
Operating Expenses	
Operations/Maintenance	292,496
Utility Purchases	190,976
Administration/Personnel	261,707
Depreciation	124,837
Total Operating Expenses	870,016
Operating Income (Loss)	143,988
Nonoperating Revenues (Expenses)	
Interest Income	-0-
Interest Expense	(17,123)
Total Nonoperating Revenues (Expenses)	(17,123)
Income Before Contributions & Transfers	126,865
Transfers In/(Out)	(132,937)
Capital Contributions	-0-
Change in Net Position	(6,072)
Total Net Position - Beginning	1,986,078
Total Net Position - Ending	\$ 1,980,006

The accompanying notes are an integral part of this statement.

Village of Harrisonburg, Louisiana
Statement of Cash Flows
Proprietary Fund
June 30, 2022

	<u>Enterprise Fund</u>
Cash Flows From Operating Activities	
Receipts From Customers & Users	\$ 1,014,004
Payments to Suppliers	(261,707)
Payments to Employees	(449,357)
Net Cash Provided (Used) by Operating Activities	<u>302,940</u>
Cash Flows From Non-Capital Financing Activities	
Transfers to Other Funds	(132,937)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(132,937)</u>
Cash Flows From Capital & Related Financing Activities	
Additions to Capital Debt	-0-
Principal on Capital Debt	(23,566)
Interest Paid on Capital Debt	(17,123)
(Acquisition)Deletion of Capital Assets	(19,987)
Net Cash Provided (Used) by Capital & Related Financing Activities	<u>(60,676)</u>
Cash Flows From Investing Activities	
Interest and Dividends Received	-0-
Net Cash Provided (Used) by Investing Activities	<u>-0-</u>
Net Increase (Decrease) in Cash & Cash Equivalents	109,327
Cash & Cash Equivalents, Beginning of Year	204,643
Cash & Cash Equivalents, End of Year	<u>313,970</u>
Reconciliation to Balance Sheet	
Cash and Cash Equivalents	179,087
Restricted Cash	134,883
Total Cash and Cash Equivalents	<u>313,970</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	143,988
Depreciation Expense	124,837
(Increase) Decrease in Accounts Receivable	24,187
Increase (Decrease) in Accounts Payables	8,243
Increase (Decrease) in Accrued Interest	1,685
Total Adjustments	<u>158,952</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 302,940</u>

The accompanying notes are an integral part of this statement.

**Notes To The Basic
Financial Statements**

VILLAGE OF HARRISONBURG, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Harrisonburg was incorporated October 18, 1923, under the provisions of the Lawrason Act. The Village operates under the Mayor-Board of Alderman form of government. The Village provides the following significant services to its residents as provided by its charter: public safety (police and fire), highways and streets, utilities (water, gas and sewer services) and general administrative functions, including coordination of related services with parish, state and federal governing bodies.

The accounting and reporting policies of the Village of Harrisonburg 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.

A. GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) report information on all of the nonfiduciary activities of the primary government and its component units. 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is 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) Capital Contributions and contributions that are restricted to meetings 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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, & 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 and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred,

VILLAGE OF HARRISONBURG, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED

regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Capital contributions 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 municipality 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 those required to be accounted for in another fund.

The municipality reports the following major proprietary fund:

- Enterprise Fund
 - Water Activities
 - Sewer Activities
 - Gas Activities

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. Principal operating revenues are utility billings. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

VILLAGE OF HARRISONBURG, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED

C. EQUITY CLASSIFICATIONS

In the government-wide financial statements, equity is classified as Net Position and displayed in three components as applicable. The components are as follows:

Invested in Capital Assets - Capital assets including restricted capital assets, when applicable, net of accumulated depreciation.

Restricted Net Position - Net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position - All other net position that does not meet the definition of “restricted” or “invested in capital assets”.

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies restricted resources first. The policy concerning which to apply first varies with the intended use and legal requirements. The decision is typically made by management at the incurrence of the expense.

In the Fund Financial Statements, governmental fund equity is classified as a fund balance. The District has implemented GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions.” This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance – amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance – amounts constrained to specific purposes by a government itself using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- d. Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

VILLAGE OF HARRISONBURG, LOUISIANA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

D. CASH & CASH EQUIVALENTS

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

E. RECEIVABLES & 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 noncurrent 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”.

F. AD VALOREM TAXES

The entity levies taxes on real and business personal property located within its boundaries. The entity utilizes the services of the Catahoula Parish Tax Assessor to assess the property values and prepare the entity's property tax roll. The entity bills and collects its own property taxes.

Property Tax Calendar

Assessment Date	January 1
Levy Date	No Later Than June 1
Tax Bills Mailed	On or About October 15
Total Taxes Are Due	December 31
Penalties and Interest are Added	January 1
Lien Date	January 1

For the year ended June 30, 2022, taxes of 7.33 mills were levied against property having a valuation of some \$1,352,394 which produced some \$9,445 in revenue.

Ad Valorem Taxes are broken down as follows:

	<u>Mills</u>
General Alimony	7.33
Total	<u><u>7.33</u></u>

VILLAGE OF HARRISONBURG, LOUISIANA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

G. RESTRICTED ASSETS

Restricted assets include cash and cash investments in the proprietary funds which are restricted.

Restricted assets were applicable to the following at June 30, 2022:

	<u>Sewer</u>	<u>Water</u>	<u>Gas</u>	<u>Total</u>
Sewer Revenue Reserve	\$ 20,217	\$ -0-	\$ -0-	\$ 20,217
Depreciation Reserve Account	13,135	-0-	-0-	13,135
Construction Account	-0-	101,532	-0-	101,532
Total	<u>\$ 33,352</u>	<u>\$ 101,532</u>	<u>\$ -0-</u>	<u>\$ 134,884</u>

H. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets, 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 the 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 of Harrisonburg maintains a threshold level of \$1,500 or more for capitalizing capital assets.

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.

For the year ended June 30, 2022, no interest costs were capitalized for construction of fixed assets.

Gas, Water, & Sewer Systems	40 years
Vehicles and Equipment	5-10 years
Parking Lot	20 years

I. INVENTORIES

Inventories of materials and supplies are considered to be expenditures at the time purchased. Amounts on hand at the financial statement date are considered immaterial and therefore not included on the statements of assets and liabilities.

J. LONG-TERM OBLIGATIONS

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

VILLAGE OF HARRISONBURG, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED

K. FUND EQUITY

In the fund equity statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plan that are subject to change.

L. USE OF ESTIMATES

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

2. CASH, CASH EQUIVALENTS, & INVESTMENTS – (C.D.'S IN EXCESS OF 90 DAYS)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. 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.

Louisiana Revised Statute 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 Entity that the fiscal agent bank has failed to pay deposit funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Entity's name.

Deposits

It is the Village's policy for deposits (demand checking accounts, savings accounts, and certificate of deposits) to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The Village's deposits are categorized to give an indication of the level of risk assumed by the Village at year end. The categories are described as follows:

VILLAGE OF HARRISONBURG, LOUISIANA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

- **Category 1** – Insured or collateralized with securities held by the Village or by its agent in the Village’s name.
- **Category 2** – Collateralized with securities held by the pledging financial institution’s trust department or agent in the Village’s name.
- **Category 3** – Uncollateralized.

	Southern Heritage Bank	CLB – The Community Bank	Concordia Bank	Total
Bank Balances	\$ 297,269	\$ 212,267	\$ 8,527	\$ 518,063
<i>Secured As Follows</i>				
FDIC (<i>Category 1</i>)	297,269	212,267	8,527	518,063
Securities (<i>Category 2</i>)	-0-	-0-	-0-	-0-
Uncollateralized (<i>Category 3</i>)	-0-	-0-	-0-	-0-
Total	\$ 297,269	\$ 212,267	\$ 8,527	\$ 518,063

All deposits were fully secured as of June 30, 2022.

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposit of the Village of Harrisonburg. For the purpose of the proprietary fund Statement of Cash Flows, “Cash and Cash Equivalents” include all demand savings accounts and certificates of deposit under 90 days.

3. RECEIVABLES

The receivables of \$75,776 at June 30, 2022, are as follows:

	General Fund	Enterprise Fund	Total
Accounts Receivable	\$ 14,368	\$ 64,460	\$ 78,828
Allowances for Bad Debt	-0-	(3,052)	(3,052)
Total	\$ 14,368	\$ 61,408	\$ 75,776

Uncollectable amounts due for customers' utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectable of the receivable.

VILLAGE OF HARRISONBURG, LOUISIANA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

4. CAPITAL ASSETS

Proprietary Fund

A summary of enterprise fund plant and equipment at June 30, 2022, follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Gas System*	\$ 1,849,933	\$ -0-	\$ -0-	\$ 1,849,933
Water System*	1,443,820	-0-	-0-	1,443,820
Sewer System	1,912,762	19,987	-0-	1,932,749
Total	<u>5,206,515</u>	<u>19,987</u>	<u>-0-</u>	<u>5,226,502</u>
Less: Accumulated Depreciation	(2,989,975)	(124,837)	-0-	(3,114,812)
Capital Assets, Net	<u>\$ 2,216,540</u>	<u>\$ (104,850)</u>	<u>\$ -0-</u>	<u>\$ 2,111,690</u>

*Land in the amount of \$10,000 in the Gas System is not being depreciated.

*Land in the amount of \$485 and construction in progress in the amount of \$84,668 in the Water System are not being depreciated.

General Fund

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets*	\$ 1,063,805	\$ -0-	\$ -0-	\$ 1,063,805
Accumulated Depreciation	(706,071)	(38,130)	-0-	(744,201)
Capital Assets, Net	<u>\$ 357,734</u>	<u>\$ (38,130)</u>	<u>\$ -0-</u>	<u>\$ 319,604</u>

*Land in the amount of \$26,000 is included in the capital assets and is not being depreciated.

Depreciation expense was charged to governmental functions as follows:

General	\$	32,138
Fire		-0-
Police		5,992
Sanitation		-0-
Total Depreciation	<u>\$</u>	<u>38,130</u>

VILLAGE OF HARRISONBURG, LOUISIANA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

5. CHANGES IN LONG-TERM DEBT

The following is a summary of revenue bond transactions and general obligation debt transactions of the Village of Harrisonburg for the year ended June 30, 2022.

	Water Revenue Bonds	Sewer Revenue Bonds	Total
Bonds & Notes Payable - Beginning	\$ 200,000	\$ 298,445	\$ 498,445
Additions	-0-	-0-	-0-
Principal Retirements	(17,130)	(6,436)	(23,566)
Total	\$ 182,870	\$ 292,009	\$ 474,879

Bonds payable and capital leases at June 30, 2022, are comprised of the following issues:

Revenue Bonds and Capital Leases

\$200,000 of 2021 Water Revenue Bonds due annually in installments of \$17,000 - \$24,000 starting 4/01/22 and ending 4/01/31; interest at 3.50%.	\$ 182,870
\$200,000 of 2008 Sewer Revenue Bonds due annually in installments of \$10,868.62 starting 10/21/09 and ending 10/21/48; interest at 4.5%.	167,627
\$156,000 of 2008 Sewer Revenue Bonds due annually in installments of \$7,447.33 starting 10/21/09 and ending 10/21/48; interest at 3.625%.	----- 124,382
Total	\$ ----- 474,879

The annual requirements to amortize all debt outstanding as of June 30, 2022, including interest payments, are as follows:

Year Ending June 30,	Total
2023	41,909
2024	42,314
2025	42,684
2026	42,019
2027-2031	92,520
2032-2036	92,520
2037-2041	92,520
2042-2046	92,520
2047-2051	33,924
Total	\$ 572,930

VILLAGE OF HARRISONBURG, LOUISIANA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

6. FLOW OF FUNDS; RESTRICTIONS ON USE - ENTERPRISE FUND REVENUE

As of June 30, 2022, the Village of Harrisonburg has three issues of sewer revenue bonds outstanding. The flow of funds and restrictions on use are governed by the bond indentures and the note resolution, the terms of which are summarized as follows:

- (a) For the payment of all expenses of operation and maintenance of each system.
- (b) For the maintenance of a bond or note redemption account, by transferring sufficient amounts to pay all principal and interest falling due in the ensuing twelve months.
- (c) For the maintenance of a reserve account, by making designated payments as follows:

Sewer - There should be deposited ten percent (10%) of the amount to be paid into the redemption account, until such time as there has been accumulated therein the sum of \$26,500.

- (d) For the maintenance of a contingency and depreciation account, by making designated payments as follows:

Sewer - There should be deposited one hundred fifty-three dollars (\$153.00) per month commencing with the month following completion of the improvements to the system.

As of June 30, 2022, the Village of Harrisonburg has one issue of water revenue bonds outstanding. The flow of funds and restrictions on use are governed by the bond indentures and the note resolution, the terms of which are summarized as follows:

- (a) 2021 Water Revenue Bond Sinking Fund (The Debt Service Fund)

The debt service fund is designed to achieve a proper matching of revenues and debt service on the bonds, as shown on Exhibit B attached to Water Revenue Bonds Documents.

The Village records restrictions to indicate that a portion of its net assets/fund balances are legally restricted for a specific future use. The following is a list of such restrictions and a description of each:

Restricted - Revenue Bonds

This amount represents monies restricted as required by the revenue bond indentures.

At June 30, 2022, the Enterprise Fund Net Position were restricted for the purposed noted above as follows:

Revenue Bond Reserve Fund	\$	13,135
Depreciation and Contingencies Fund		20,217
Accrued Interest		(3,370)
Current Bonds Payable		(18,054)
Total	\$	<u>11,928</u>

VILLAGE OF HARRISONBURG, LOUISIANA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

7. LITIGATION

The Village of Harrisonburg is involved in no litigation at June 30, 2022, which is not covered by the Village's applicable insurance policies or is considered to be significant to the Village's financial statements.

8. PENSION PLAN

The Village employees are covered under the social security system.

9. TRANSFERS BETWEEN FUNDS

	<u>Governmental Funds</u>	<u>Enterprise Fund</u>
Transfers In (Out)	\$ <u>132,937</u>	<u>(132,937)</u>

Transfers were made for operational purposes.

10. UTILITY RELOCATION ASSISTANCE FUNDING (URAF)

Chapter 3 § 301(c) of the Louisiana Administrative Code states that “URAF funding is neither a loan nor a grant and there is no interest charged on this money. However, the utility must repay this money eventually, or it will not be allowed to locate its facilities within highway right-of-way”.

This transaction, occurring in the 2015 fiscal year, was recorded as a capital grant and capitalized as fixed assets (Utility Relocation) in the enterprise fund in 2015.

VILLAGE OF HARRISONBURG, LOUISIANA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

11. ELECTED OFFICIAL'S SALARIES

<u>Name</u>	<u>Term</u>	<u>Title</u>	<u>Annualized Salary</u>
Michael Tubre 757 Bushley St Harrisonburg, LA 71340 (318) 744-5613	2007 - Present	Mayor	\$ 6,000
Judy Cotten PO Box 408 Harrisonburg, LA 71340 (318) 557-8256	2015 - Present	Alderman	\$ 4,800
Greg Terry PO Box 262 Harrisonburg, LA 71340 (318) 744-5547	2007 - Present	Alderman	\$ 4,800
Arthurine Watson PO Box 97 Harrisonburg, LA 71340 (318) 758-1691	2019 - Present	Alderman	\$ 4,800
Lyndell Atkins PO Box 443 Harrisonburg, LA 71340 (318) 403-8647	2012 - Present	Chief of Police	\$ 39,135

12. SCHEDULE OF INSURANCE

<u>Type</u>	<u>Agent</u>	<u>Amount</u>	<u>Date Expired</u>
General Liability	Louisiana Municipal Risk Management Agency	\$500,000	10/18/2023
Law Enforcement Officer – Government Crime Policy	Louisiana Municipal Risk Management Agency	\$500,000	10/18/2023
Errors & Omissions	Louisiana Municipal Risk Management Agency	\$500,000	10/18/2023
Auto Liability	Louisiana Municipal Risk Management Agency	\$500,000	10/18/2023

VILLAGE OF HARRISONBURG, LOUISIANA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

13. SUBSEQUENT EVENTS

Management has evaluated events and transactions subsequent to the Statement of Net Position date through, February 1, 2023, of the independent auditor's report for potential recognition or disclosure in the financial statements.

VILLAGE OF HARRISONBURG, LOUISIANA

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

14. WATER, SEWER, & GAS RATES

<u>Water: (365 Customers)</u>	<u>Minimum Charge</u>	<u>Next</u>
Commercial	\$ 18.00 for 1 st 2,000 gals. water used	\$.003 per gallon water used thereafter
Residential	\$ 18.00 for 1 st 2,000 gals. water used	\$.003 per gallon water used thereafter
Schools	\$ 50.00 for 1 st 2,000 gals. water used	\$.003 per gallon water used thereafter
Housing Authority	\$ 81.00 for 1 st 2,000 gals. water used	\$.003 per gallon water used thereafter
<u>Sewer: (171 Customers)</u>		
Residential	\$ 13.50 for 1 st 2,000 gals. water used	\$.0015 per gallon water used thereafter
School	\$ 50.00 for 1 st 2,000 gals. water used	\$.002 per gallon water used thereafter
Housing Authority	\$ 50.00 for 1 st 2,000 gals. water used	\$.003 per gallon water used thereafter
<u>Gas: (566 Customers)</u>	<u>Flexible</u>	
Residential	<ul style="list-style-type: none"> • Inside city limits- \$20.00 flat fee plus \$0.90 per Ccf Annual CPI • Outside city limits- \$21.00 flat fee plus \$1.00 per Ccf Annual CPI 	
Commercial	<ul style="list-style-type: none"> • Inside city limits- \$20.00 flat fee plus \$0.90 per Ccf Annual CPI • Outside city limits- \$21.00 flat fee plus \$1.00 per Ccf Annual CPI 	
Prison	\$ 21.00 flate rate plus \$0.90 per Ccf Annual CPI	

Required Supplemental Information

Village of Harrisonburg, Louisiana
Statement of Revenues, Expenditures, & Changes in Fund Balance
Budget & Actual
General Fund
For the Year Ended June 30, 2022

	Budget Amounts		Actual Amounts Budgetary Basis	Budget to GAAP Differences Favorable (Unfavorable)
	Original	Final		
Revenues				
Fees & Charges	\$ 51,000	\$ 55,000	\$ 44,984	\$ (10,016)
Taxes	48,000	52,000	75,402	23,402
Fines	1,000	8,000	7,722	(278)
Capital Contributions	-0-	-0-	-0-	-0-
Other Revenue	8,200	10,300	21,769	11,469
Total Revenues	108,200	125,300	149,877	24,577
Expenditures				
General Government	105,000	75,000	62,052	12,948
Public Safety:				
Police	115,000	115,000	118,432	(3,432)
Fire	10,000	12,000	14,070	(2,070)
Sanitation	60,000	63,000	67,379	(4,379)
Debt Service	-0-	-0-	-0-	-0-
Capital Outlay	10,000	10,000	-0-	10,000
Total Expenditures	300,000	275,000	261,933	13,067
Excess (Deficiency) of Revenues Over Under Expenditures	(191,800)	(149,700)	(112,056)	37,644
Other Financing Sources (Uses)				
Transfers In/(Out)	190,000	180,000	132,937	(47,063)
Total Other Financing Sources (Uses)	190,000	180,000	132,937	(47,063)
Net Change in Fund Balance	\$ (1,800)	\$ 30,300	20,881	\$ (9,419)
Fund Balances - Beginning			137,429	
Fund Balances - Ending			\$ 158,310	

See independent auditor's report.

Other Information

**Village of Harrisonburg, Louisiana
 Schedule of Compensation Benefits and Other Payments
 to Agency Head or Chief Executive Officer
 For the Year Ended June 30, 2022**

Honorable Michael Tubre, Mayor

Purpose	Amount
Salary	\$ 6,000
Benefits-Insurance	-0-
Benefits-Retirement	-0-
Benefits (Expense Allowance)	-0-
Car Allowance	-0-
Vehicle Provided by Government	-0-
Per Diem	-0-
Reimbursements	-0-
Travel	-0-
Registration Fees	-0-
Conference Travel	-0-
Continuing Professional Education Fees	-0-
Housing	-0-
Un-vouchered Expenses*	-0-
Special Meals	\$ -0-

*An example of an un-vouchered expense would be a travel advance.

See independent auditor's report.

**Village of Harrisonburg
Harrisonburg, Louisiana
Justice System Funding Schedule – Collecting/Disbursing Entity
Year Ended June 30, 2022**

	First Six Months Ended 12/31/2021	Second Six Months Ended 06/30/2022
Beginning Balance of Amounts Collected	\$ -0-	\$ -0-
Add: Collections		
Criminal Fines – Other	3,663	4,059
Subtotal Collections	<u>3,663</u>	<u>4,059</u>
Less: Disbursements to Governments & Nonprofits		
LA Commission on Law Enforcement	160	227
LA Supreme Court Education Fund	16	4
Central LA Juvenile Fund		
CMIS	2	24
Less: Amounts Retained by Collecting Agency		
Amounts Self-Disbursed – Criminal Fines – Other	3,485	3,804
Subtotal Disbursements/Retainage	<u>-0-</u>	<u>-0-</u>
Total: Ending Balance of Amounts Collected but not Disbursed/Retained	<u>3,663</u>	<u>4,059</u>
Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected		
Total Waivers During the Fiscal Period	\$ -0-	\$ -0-

See independent auditor's report.

Other Reports

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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 Michael Tubre, Mayor
& Members of the Village Council
Harrisonburg, 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 and the business type activities of the Village of Harrisonburg, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Village of Harrisonburg's basic financial statements, and have issued our report thereon dated February 1, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village of Harrisonburg'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 Harrisonburg's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Harrisonburg's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain

deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item **(2022-1 Small Size of Entity)** that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Harrisonburg'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 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* and which are described in the accompanying Schedule of Findings and Questioned Costs as item: **[2022-Late Filing of Financial Statements]**.

Village of Harrisonburg's Response to Findings

The Village of Harrisonburg's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The Village of Harrisonburg'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.

This report is intended solely for the information and use of the audit committee, management, federal awarding agencies and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a public document and its distribution is not limited.

The Vercher Group

Jena, Louisiana
February 1, 2023

**VILLAGE OF HARRISONBURG
HARRISONBURG, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Year Ended June 30, 2022**

We have audited the basic financial statements of the Village of Harrisonburg, Louisiana, as of and for the year ended June 30, 2022, and have issued our report thereon dated February 1, 2023. We conducted our audit in accordance with generally accepted auditing standards and the standards in the United States of America applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Section I - Summary of Auditor's Results

Our audit of the financial statements as of June 30, 2022, resulted in an unmodified opinion.

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

Internal Control

Material Weaknesses Yes Significant Deficiencies Yes

Compliance

Compliance Material to Financial Statements Yes

b. Federal Awards (Not Applicable)

Internal Control

Material Weaknesses Yes Other Conditions Yes

Type of Opinion on Compliance Unmodified Qualified
For Major Programs Disclaimer Adverse

Are the finding required to be reported in accordance with Uniform Guidance?

Yes No

c. Identification of Major Programs:

CFDA Number (s)	Name of Federal Program (or Cluster)

Dollar threshold used to distinguish between Type A and Type B Programs: \$

Is the auditee a 'low-risk' auditee, as defined by OMB Uniform Guidance? Yes No

**VILLAGE OF HARRISONBURG
HARRISONBURG, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)
For the Year Ended June 30, 2022**

Section II - Financial Statement Findings

2022-1 Small Size of Entity (Internal Control)

Condition: Because of the small size of the Village and the lack of separation of duties of employees, many of the important elements of good internal controls cannot always be achieved to ensure adequate protection of the Village's cash.

Criteria: Important elements of good internal controls often require that the same employee does not handle the functions of accounting, collections, billing, receiving and check writing.

Cause of Condition: Small size of entity and lack of employees.

Effect of Condition: Significant deficiency in internal controls.

Recommendation: We recommend that management continue to provide the necessary oversight in its current internal control procedures, specifically in the areas of cash receipts, collection receipt activities, recordation of those receipts, depositing of funds collected, and review of checks written.

Client Response and Corrective Action: Management will continue to provide the necessary oversight in its current internal control procedures, specifically in the areas of cash receipts, collection receipt activities, recordation of those receipts, depositing of funds collected, and review of checks written.

Contact Person: Mike Tubre, Mayor

Anticipated Completion Date: N/A

2022-2 Annual Filing of Financial Statements (Compliance)

Condition: The Village did not timely file their financial statements with the Legislative Auditor on a timely basis.

Criteria: LSA-RS 24:514, LSA-RS 33:463 and/or LSA-RS 39:92, as applicable, require that governmental units file their financial statements annually with the Legislative Auditor's Office within six months of the entity's year end closing.

Cause of Condition: Not having the financial statements completed on time.

Potential Effect of Condition: Compliance finding and a freeze on grant funding.

Recommendation: The Village should have their audit completed in time to file with the Legislative Auditor's Office within six months of the Village's year end closing.

**VILLAGE OF HARRISONBURG
HARRISONBURG, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)
For the Year Ended June 30, 2022**

Section II - Financial Statement Findings (Cont.)

Client Response: The Village will have their audit completed in time to file with the Legislative Auditor's Office within six months of the Village's year end closing.

Contact Person: Mike Tubre, Mayor

Anticipated Completion Date: June 30, 2023

Section III – Federal Awards Findings and Questioned Costs

Not applicable.

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MANAGEMENT LETTER COMMENTS

During the course of our audit, we observed conditions and circumstances that may be improved. Below are situations that may be improved (if any) and recommendations for improvements.

CURRENT YEAR MANAGEMENT LETTER COMMENTS

No items identified.

**VILLAGE OF HARRISONBURG
HARRISONBURG, LOUISIANA
JUNE 30, 2022**

MANAGEMENT’S SUMMARY OF PRIOR YEAR FINDINGS

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

The management of the Village of Harrisonburg, Louisiana has provided the following action summaries relating to audit findings brought to their attention as a result of their financial audit for the year ended June 30, 2021.

Prior Year Findings

2021-1 Small Size of Entity (Internal Control)

Condition: Because of the small size of the Village and the lack of separation of duties of employees, many of the important elements of good internal controls cannot always be achieved to ensure adequate protection of the Village’s cash.

Criteria: Important elements of good internal controls often require that the same employee does not handle the functions of accounting, collections, billing, receiving and check writing.

Cause of Condition: Small size of entity and lack of employees.

Effect of Condition: Significant deficiency in internal controls.

Recommendation: We recommend that management continue to provide the necessary oversight in its current internal control procedures, specifically in the areas of cash receipts, collection receipt activities, recordation of those receipts, depositing of funds collected, and review of checks written.

Client Response and Corrective Action: Management will continue to provide the necessary oversight in its current internal control procedures, specifically in the areas of cash receipts, collection receipt activities, recordation of those receipts, depositing of funds collected, and review of checks written.

Contact Person: Mike Tubre, Mayor

Anticipated Completion Date: N/A

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

The Honorable Michael Tubre, Mayor
& Members of the Village Council
Harrisonburg, Louisiana

We have performed the procedures enumerated below, which were agreed to by Village of Harrisonburg 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 period July 1, 2021 to June 30, 2022. 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 and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving.
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) 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) ***Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Exception: The Village has not adopted a policy and procedure for Travel Reimbursements.

Management Response: The Village will adopt a policy and procedure for Travel Reimbursements.

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 whether 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. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to*

public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

- 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.

No exceptions noted in the procedures performed.

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 it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exceptions noted in the procedures performed.

Collections (excluding electronic funds transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Observation: The Village only has one site.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees 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.

No exceptions noted in the procedures performed.

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

Exceptions: Entity does not have enough personnel to properly segregate duties.

Management Response: Board reviews all collections and disbursements at board meetings to mitigate risk.

- 6. 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 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.

No exceptions noted in the procedures performed.

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.
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 whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

No exceptions noted in the procedures performed.

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

11. 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.
12. 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 (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe whether 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) were 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.

No exceptions noted in the procedures performed.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe 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.

No exceptions noted in the procedures performed.

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

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, observe 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 the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe 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 each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted in the procedures performed.

Contracts

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

No exceptions noted in the procedures performed.

Payroll and Personnel

- 16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- 17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe 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 whether supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
- 18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
- 19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

No exceptions noted in the procedures performed.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above: obtain ethics documentation from management, and:
- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity’s ethics policy during the fiscal period, as applicable.

No exceptions noted in the procedures performed.

Debt Service

21. 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 State Bond Commission approval was obtained for each debt instrument issued.
22. 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).

No exceptions noted in the procedures performed.

Fraud Notice

23. 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.
24. Observe 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.

No exceptions noted in the procedures performed.

Information Technology Disaster Recovery/Business Continuity

25. 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 no

written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

- 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.

No exceptions noted in the procedures performed.

Sexual Harassment

- 26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
- 27. Observe 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).
- 28. 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 it includes the applicable requirements of R.S. 42:344:
 - a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e) Amount of time it took to resolve each complaint.

Exception: Not all employees completed an hour of sexual harassment training.

Management Response: The Village will ensure every employee/board member completes one hour of sexual harassment.

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.

The Vercher Group

Jena, Louisiana
February 1, 2023