Village of Epps
Epps, Louisiana

December 31, 2025

HMV
CERTIFIED PUBLIC
ACCOUNTANTS

VILLAGE OF EPPS, LOUISIANA

EPPS, LOUISIANA

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Honorable Brittany Clark, Mayor
Members of the Board of Aldermen
Village of Epps
Epps, Louisiana

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Village of Epps, Louisiana, as of and for the year ended December 31, 2025, and the related notes to financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Village of Epps, Louisiana, as of December 31, 2025, and the respective changes in financial position, and where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

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ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economical, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2026, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village of Epps, Louisiana's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Heard, McElroy & Vestal, LLC

Monroe, LA
June 26, 2026

REQUIRED SUPPLEMENTARY INFORMATION (PART I)

As management of the Village of Epps, we offer readers of the Village of Epps' financial statements this narrative overview and analysis of the financial activities of the Village of Epps for the year ended December 31, 2025. It is designed to assist the reader in focusing on significant financial issues, identify changes in the Village's financial position, and identify material deviations and individual fund issues or concerns.

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

Financial Highlights

- The assets of the Village exceeded its liabilities at the close of the fiscal year by $3,183,365 (net position). Of this amount, $211,783 (unrestricted net position) represents the portion of net position that is not invested in capital assets or otherwise restricted.
- The government's total net position increased by $1,687,076.
- As of the close of the current fiscal year, the Village's governmental activities reported combined ending net position of $869,009 an increase of $151,119 in comparison with the prior year. Of this total net position amount, $268,648 is available for spending at the government's discretion (unrestricted net position).

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

Both of the government-wide financial statements distinguish functions of the Village of Epps that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of the costs through user fees and charges (business-type activities). The governmental activities of the Village of Epps include general government, public safety, sanitation, and public works. The business-type activities of the Village of Epps include water and sewer.

The government-wide financial statements can be found on pages 10 and 11 of this report.

Fund Financial Statements

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

Governmental Funds

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

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

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

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

Proprietary Funds

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

Notes to Financial Statements

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

Other Information

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village of Epps, assets exceeded liabilities by $3,185,360, at the close of the most recent fiscal year.

By far the largest amount of the Village of Epps' net assets ($2,669,379) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Village of Epps uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village of Epps investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Governmental Activities		Business-Type Activities		Totals	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024	12/31/2025	12/31/2024
Current & Other Assets	$ 273,848	$ 139,931	$ 906,708	$ 89,664	$ 1,180,556	$ 229,595
Capital Assets	600,361	583,874	2,401,120	770,831	3,001,481	1,354,705
Total Assets	$ 874,209	$ 723,805	$ 3,307,828	$ 860,495	$ 4,182,037	$ 1,584,300
Current & Other Liabilities	$ 5,200	$ 5,915	$ 699,120	$ 51,430	$ 704,320	$ 57,345
Long-Term Liabilities	-	-	294,352	30,666	294,352	30,666
Total Liabilities	$ 5,200	$ 5,915	$ 993,472	$ 82,096	$ 998,672	$ 88,011
Net Position:						
Net Investment in Capital Assets	$ 600,361	$ 583,874	$ 2,069,018	$ 726,595	$ 2,669,379	$ 1,310,469
Restricted	-	-	302,203	30,374	302,203	30,374
Unrestricted	268,648	134,016	(56,865)	21,430	211,783	155,446
Total Net Position	$ 869,009	$ 717,890	$ 2,314,356	$ 778,399	$ 3,183,365	$ 1,496,289

The balance of $268,648 in unrestricted net position in the governmental activities represents the accumulated results of all past year's operations. Total net position increased by $1,687,076 overall from the prior year. The changes in net position are discussed later in this MD&A.

Key elements of the changes in net position are as follows:

	Governmental Activities		Business Type Activities		Total	
	12/31/2025	12/31/2024	12/31/2025	12/31/2024	12/31/2025	12/31/2024
Revenues						
Program Revenues						
Charges for Services	$ 306,873	$ 52,010	$ 194,321	$ 175,730	$ 501,194	$ 227,740
Grants and Contributions	14,079	15,274	1,510,542	116,570	1,524,621	131,844
General Revenues						
Property Taxes	19,795	18,360	-	-	19,795	18,360
Franchise Taxes	10,319	10,730	-	-	10,319	10,730
Sales Taxes	31,482	27,677	-	-	31,482	27,677
Other Revenues	2,130	27,271	97	102	2,227	27,373
Total Revenues	384,678	151,322	1,704,960	292,402	2,089,638	443,724
Expenses						
General Government	99,997	77,076	-	-	99,997	77,076
Public Safety	79,390	40,415	-	-	79,390	40,415
Public Works	-	31,444	-	-	-	31,444
Water and Sewer	-	-	223,175	272,919	223,175	272,919
Total Expenses	179,387	148,935	223,175	272,919	402,562	421,854
Increase (Decrease) in Net Position						
Before Transfers	205,291	2,387	1,481,785	19,483	1,687,076	21,870
Transfers	(54,172)	(41,298)	54,172	41,298	-	-
Increase (Decrease) in Net Position	$ 151,119	$ (38,911)	$ 1,535,957	$ 60,781	$ 1,687,076	$ 21,870

Governmental-Activities

Governmental activities increased the Village of Epps' net position by $151,119. Expenses are classified by functions/programs. Public Safety accounts for $79,390 while general government for $99,997 for the fiscal year 2025. In the previous year, public works attributed $31,444 to capital outlay. Capital outlay for 2025 was attributed to Public Safety. The related program revenues for the fiscal year 2025 directly related to these expenses totaled $320,952 which resulted in net program revenue of approximately $141,565. The remaining balance of expenses represents the cost to the taxpayers. The costs of governmental activities exceeding restricted state and federal grants are paid primarily from the following sources:

- Fines are the largest revenue and most significant source to the Village, generating approximately $265,849 of general fund revenues.
- Franchise, ad valorem tax and sales tax revenues are the second largest source of revenue for the Village of Epps. It provides $61,596 of general fund revenues.

Business-Type Activities

Business-type activities increased the Village of Epps' net position by approximately $1,535,957. The increase was primarily due to grant revenue for new projects.

Financial Analysis of the Government's Funds

As noted earlier, the Village of Epps uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the Village of Epps' governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village of Epps' financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Village of Epps' governmental funds reported a combined ending fund balance of $268,648 a increase of $134,632 in comparison with the prior year. Of this total fund balance amount, $57,942 is restricted, and $210,706 constitutes unassigned fund balance, which is available for spending at the Village's discretion.

General Fund Budgetary Highlights

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

The General Fund actual revenues had a favorable variance of $676 compared to budgeted revenues. Actual expenditures were less than budgeted by $2,388 mainly because public safety costs were less than anticipated during the year.

Capital Asset and Debt Administration

Capital Assets. The Village of Epps' investment in capital assets for its governmental and business type activities as of December 31, 2025, amounts to $3,001,481 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, and street improvements.

Improvements to the sewer system and a purchase of a new police unit were the only capital expenditures in the current fiscal year.

Village of Epps Capital Assets

	12/31/2025	12/31/2024
Land	$ 158,000	$ 158,000
Buildings and Improvements	476,198	476,198
Vehicles and Equipment	501,048	454,197
Infrastructure	473,961	473,961
Water and Sewer System	4,754,056	3,055,873
Total	6,363,263	4,618,229
Less Accumulated Depreciation	(3,361,782)	(3,263,524)
Total Capital Assets	$ 3,001,481	$ 1,354,705

Village of Epps Outstanding Debt

	12/31/2025	12/31/2024
Revenue Bonds	$ 30,666	$ 57,018
Lease Purchase	301,436	-
	$ 332,102	$ 57,018

Economic Factors and Next Year's Budget

Factors considered in preparing the Village of Epps' budget for the 2025 fiscal year included the impact fines revenue will decrease due to the removal of the speeding camera. Also, revenue in the water and sewer fund should decrease with a decrease in grant revenue. With current economic conditions, property tax revenue is projected to remain flat for the next fiscal year. All other revenues should remain fairly constant.

Requests for Information

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

VILLAGE OF EPPS, LOUISIANA

STATEMENT OF NET POSITION

DECEMBER 31, 2025

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 211,247	$ 90,058	$ 301,305
Receivables, Net of Allowance	4,659	572,389	577,048
Restricted Cash	-	302,203	302,203
Due to/from (net)	57,942	(57,942)	-
Capital Assets (net)	600,361	2,401,120	3,001,481
TOTAL ASSETS	$ 874,209	$ 3,307,828	$ 4,182,037
LIABILITIES			
Accounts, Salaries, and Other Payables	$ 5,200	$ 553,979	$ 559,179
Customer Deposits	-	24,779	24,779
Retainage payable	-	82,612	82,612
Bonds Payable, Current Portion	-	37,750	37,750
Total Current Liabilities	5,200	699,120	704,320
Bonds Payable, long-term portion	-	294,352	294,352
TOTAL LIABILITIES	5,200	993,472	998,672
NET POSITION			
Net Investment in Capital Assets	600,361	2,069,018	2,669,379
Restricted	-	302,203	302,203
Unrestricted	268,648	(56,865)	211,783
TOTAL NET POSITION	$ 869,009	$ 2,314,356	$ 3,183,365

VILLAGE OF EPPS, LOUISIANA

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position of Primary Government		
	Expenses	Charges for Services	Capital Grants and Contributions	Net (Expenses) Revenue	Governmental Activities	Business-Type Activities	Total
Functions/Programs							
Governmental Activities							
General Government	$ 99,997	$ 41,024	$ 14,079	$ (44,894)	$ (44,894)	$ -	$ (44,894)
Public Safety	79,390	265,849	-	186,459	186,459	-	186,459
Total Governmental Activities	179,387	306,873	14,079	141,565	141,565	-	141,565
Business-Type Activities:							
Water and Sewer	223,175	194,321	1,510,542	1,481,688	-	1,481,688	1,481,688
Total Primary Government	$ 402,562	$ 501,194	$ 1,524,621	$ 1,623,253	141,565	1,481,688	1,623,253
		General Revenues:					
		Property Taxes			19,795	-	19,795
		Franchise Taxes			10,319	-	10,319
		Sales Taxes			31,482	-	31,482
		Interest Income			-	97	97
		Other Revenues			2,130	-	2,130
		Transfers			(54,172)	54,172	-
		Total General Revenues and Transfers			9,554	54,269	63,823
		Change in Net Position			151,119	1,535,957	1,687,076
		Net Position - Beginning			717,890	778,399	1,496,289
		Net Position - Ending			$ 869,009	$ 2,314,356	$ 3,183,365

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

FUND FINANCIAL STATEMENTS

VILLAGE OF EPPS, LOUISIANA

BALANCE SHEET

GOVERNMENTAL FUNDS

DECEMBER 31, 2025

	General Fund	ARPA Fund	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	$ 211,247	$ -	$ 211,247
Receivables	4,659	-	4,659
Due from Other Funds	-	57,942	57,942
TOTAL ASSETS	$ 215,906	$ 57,942	$ 273,848
LIABILITIES			
Accounts Payable	$ 3,857	$ -	$ 3,857
Payroll Liabilities	1,343	-	1,343
TOTAL LIABILITIES	5,200	-	5,200
FUND BALANCES			
Restricted	-	57,942	57,942
Unassigned	210,706	-	210,706
Total Fund Balances	210,706	57,942	268,648
TOTAL LIABILITIES AND FUND BALANCES	$ 215,906	$ 57,942	$ 273,848

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

VILLAGE OF EPPS, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

DECEMBER 31, 2025

Total Governmental Fund Balances	$	268,648
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of depreciation.		600,361
Net Position of Governmental Activities	$	869,009

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

VILLAGE OF EPPS, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2025

	General Fund	ARPA Fund	Total Governmental Funds
Revenues			
Taxes:			
Franchise Tax	$ 10,319	$ -	$ 10,319
Ad Valorem Tax	19,795	-	19,795
Sales Tax	31,482	-	31,482
Licenses and Permits	23,424	-	23,424
Intergovernmental Revenues:	14,079	-	14,079
Rent	17,600	-	17,600
Fines and Tickets	265,849	-	265,849
Other Revenues	2,130	-	2,130
Total Revenues	384,678	-	384,678
Expenditures			
General Government	99,997	-	99,997
Public Safety and Protection	51,176	-	51,176
Capital Outlay	44,701	-	44,701
Total Expenditures	195,874	-	195,874
Excess of Revenues			
Over Expenditures	188,804	-	188,804
Other Financing Sources and (Uses)			
Transfers (Out)	-	(54,172)	(54,172)
Net Change in Fund Balances	188,804	(54,172)	134,632
Fund Balances - Beginning	21,902	112,114	134,016
FUND BALANCES - ENDING	$ 210,706	$ 57,942	$ 268,648

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

VILLAGE OF EPPS, LOUISIANA

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

FOR THE YEAR ENDED DECEMBER 31, 2025

Net Change in Fund Balances - Total Governmental Funds		$ 134,632
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
Capital Asset Purchases Capitalized	44,701	
Depreciation Expense	(28,214)	16,487
Change in Net Position of Governmental Activities		$ 151,119

VILLAGE OF EPPS, LOUISIANA

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

DECEMBER 31, 2025

	Water and Sewer Fund
ASSETS	
Current Assets	
Cash and Cash Equivalents	$ 90,058
Receivables, Net of Allowance	572,389
Total Current Assets	662,447
Restricted Assets	
Cash and Cash Equivalents	302,203
Non-Current Assets	
Capital Assets (net of accumulated depreciation)	2,401,120
Total Assets	$ 3,365,770
LIABILITIES	
Current Liabilities	
Accounts, Salaries, and Other Payables	$ 553,979
Customer Deposits Refundable	24,779
Retainage payable	82,612
Due to Other Funds	57,942
Current Portion of Notes Payable	37,750
Total Current Liabilities	757,062
Long Term Liabilities	
Notes Payable	294,352
Total Liabilities	1,051,414
NET POSITION	
Net Investment in Capital Assets	2,069,018
Restricted	302,203
Unrestricted (Deficit)	(56,865)
Total Net Position	$ 2,314,356

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

VILLAGE OF EPPS, LOUISIANA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Water and Sewer Enterprise Fund
Operating Revenues	
Charges for Services:	
Water and Sewer	$ 194,321
Operating Expenses	
Operations	111,425
Maintenance and Repairs	28,843
Depreciation	70,044
Total Operating Expenses	210,312
Operating Income (Loss)	(15,991)
Nonoperating Income (Expense)	
Interest Income	97
Interest Expense	(12,863)
Grant Revenue	1,510,542
Total Nonoperating Income (Expense)	1,497,776
Income Before Contributions and Transfers	1,481,785
Capital Contributions and Transfers	
Transfers In	54,172
Change in Net Position	1,535,957
Net Position - Beginning	778,399
Net Position - Ending	$ 2,314,356

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

VILLAGE OF EPPS, LOUISIANA

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2025

	Water and Sewer Enterprise Fund
Cash Flows from Operating Activities	
Receipts from Customers and Users	$ 182,975
Payments to Suppliers	(122,065)
Payments to Employees for Services and Benefits	(16,180)
Net Cash Provided by Operating Activities	44,730
Cash Flows from Noncapital Financing Activities	
Decrease in Interfund Payables	(54,172)
Decrease in Customer Deposits	(6,280)
Transfers From Other Funds	54,172
Net Cash Flows Used in Noncapital Financing Activities	(6,280)
Cash Flows from Capital and Related Financing Activities	
Acquisition of Capital Assets	(1,617,721)
Capital Grant	1,510,542
Proceeds from Lease Purchase	310,889
Principal Paid on Debt	(23,570)
Interest Paid on Debt	(12,863)
Net Cash Flows Provided by Capital and Related Financing Activities	167,277
Cash Flows from Investing Activities	
Interest Received	97
Net Increase in Cash and Cash Equivalents	205,824
Cash and Cash Equivalents, Beginning of the Year	186,437
Cash and Cash Equivalents,End of Year	$ 392,261
Shown on the Accompanying Statement of Net Position as:	
Cash	$ 90,058
Restricted Assets - Cash	302,203
Total Cash	$ 392,261
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities	
Operating Loss	$ (15,991)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities	
Depreciation Expense	70,044
Increase in Accounts Receivable	(558,956)
Increase in Accounts Payable	549,633
Total Adjustments	60,721
Net Cash Provided by Operating Activities	$ 44,730

Introduction

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

GASB Statements No. 14, "The Financial Reporting Entity", and No. 39, "Determining Whether Certain Organizations Are Components Units—an amendment of GASB Statement No 14" established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under the provisions of these Statements, the Village is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statements No 14 and 39, fiscally independent means that the Village may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The Village of Epps has no component units as of December 31, 2025.

1. Summary of Significant Accounting Policies

(a) Government-Wide and Fund Financial Statements

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

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

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

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

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

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

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

The Village reports the following major governmental funds:

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

The American Rescue Plan Act (ARPA) is primarily used for the Village’s ongoing capital projects.

The Village reports the following major proprietary fund:

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

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

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

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

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

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

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

(c) Deposits and Investments

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

(d) Receivables

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

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

(e) Capital Assets

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

As permitted by GASB Statement No. 34, the Village has elected not to report infrastructure assets retroactively.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The Village had no interest to capitalize under construction.

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

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

(f) Compensated Absences

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

(g) Long-Term Obligations

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

(h) Net Position/Fund Balance

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

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

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

Committed Fund Balance—These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the village aldermen – the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the village aldermen remove the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The Village had no committed balance at December 31, 2025.

Assigned Fund Balance—This classification reflects the amounts constrained by the Village's "intent" to be used for specific purposes but are neither restricted nor committed. The village aldermen and management have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as non-spendable and are neither restricted nor committed. The Village had no assigned fund balance at December 31, 2025.

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

When both restricted and unrestricted resources are available for use, it is the Village's policy to use externally restricted resources first, then unrestricted resources—committed, assigned and unassigned—in order as needed.

(i) Estimates

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

2. Stewardship, Compliance, and Accountability

Budget Information. The Village uses the following budget practices:

A proposed budget for the General Fund, prepared on the modified accrual basis of accounting, is normally presented to the board of aldermen in December each year. In accordance with the Louisiana Local Government Budget Act, a comprehensive proposed budget for the General Fund and each special revenue fund is prepared by the chief executive or administrative officer. For a calendar-year municipality, the proposed budget must be completed, submitted to the board of aldermen, and made available for public inspection no later than December 17, which is 15 days before the beginning of the fiscal year. The budget is legally adopted by the board of aldermen in an open meeting before December 31 of the prior fiscal year and is amended during the year, as necessary. Budgets are established and controlled by the board at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. There was one budget amendment during the year ended December 31, 2025.

The budgetary comparison statement for the General Fund included as required supplementary information reflects the original budget and the final budget as amended. Accounting principles applied for purposes of developing data on a budgetary basis and those used to present financial statements in conformity with generally accepted accounting principles are the same and no adjustment is necessary to convert the actual GAAP data to the budgetary basis.

3. Cash and Cash Equivalents

At December 31, 2025, the Village had cash and cash equivalents (book balances) totaling $603,508 as follows:

	General Fund	Water and Sewer Fund	Totals
Demand Deposits	$ 211,247	$ 392,261	$ 603,508

Custodial Credit Risk – Deposits. The custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village's policy to ensure there is not exposure to this risk is to require the financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage.

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

At December 31, 2025, the Village had $603,508 in deposits (collected bank balances). These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the bank. These securities are held in the name of the pledging bank in a holding or custodial bank that is mutually accepted to both parties. Guaranty Bank had a pledged security with a face and market value of $100,000. Cash, cash equivalents (bank balances), at December 31, 2025 are secured as follows:

Bank Balances	$ 362,961
Federal Deposit Insurance	250,000
Pledged Securities	100,000
Uncollateralized	$ 12,961

4. Receivables

The receivables of $577,048 at December 31, 2025 are as follows:

Class of Receivable	General Fund	Water and Sewer Fund	Totals
Property Taxes	$ 2,635	$ -	$ 2,635
Sales Taxes	2,024	-	2,024
Charges for Services	-	24,779	24,779
Grant Receivable	-	547,610	547,610
	$ 4,659	$ 572,389	$ 577,048

The proprietary fund had an allowance account of $1,908 for accounts estimated to be uncollectible.

5. Capital Assets

Capital Assets and depreciation activity as of and for the year ended December 31, 2025 for the primary government is as follows:

Government Activies:	Balance 12/31/2024	Additions	Deletions	Balance 12/31/2025
Non-Depreciable Assets:				
Land	$ 129,000	$ -	$ -	$ 129,000
Depreciable Assets:				
Buildings & Improvements	464,963	-	-	464,963
Vehicles & Equipment	247,829	44,701	-	292,530
Street Improvements	473,961	-	-	473,961
Total Capital Assets Being Depreciated	1,186,753	44,701	-	1,231,454
Less Accumulated Depreciation	(731,879)	(28,214)	-	(760,093)
Total Capital Assets Being Depreciated, net	454,874	16,487	-	471,361
Total Governmental Activities Capital Assets, net	$ 583,874	$ 16,487	$ -	$ 600,361

Business-Type Activities:	Balance 12/31/2024	Additions	Deletions	Balance 12/31/2025
Non-Depreciable Assets:				
Land	$ 29,000	$ -	$ -	$ 29,000
Construction in Process	99,000	1,698,183	-	1,797,183
Depreciable Assets:				
Water & Sewer Systems and Improvements	2,956,873	-	-	2,956,873
Building	11,235	-	-	11,235
Equipment	206,368	2,150	-	208,518
Total Capital Assets Being Depreciated	3,174,476	2,150	-	3,176,626
Less Accumulated Depreciation	(2,531,645)	(70,044)	-	(2,601,689)
Total Capital Assets Being Depreciated, net	642,831	(67,894)	-	574,937
Total Business-Type Activities Capital Assets, net	$ 770,831	$ 1,630,289	$ -	$ 2,401,120

Depreciation expense of $28,214 was charged to the general government functions and $70,044 was charged to the water and sewer business-type activities function for the year ended December 31, 2025.

6. Interfund Receivables/Payables

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

At December 31, 2025, the interfund receivable/payable activity is as follows:

	Receivable	Payable
ARPA	$ 57,942	$ -
Water and Sewer	-	57,942
Total	$ 57,942	$ 57,942

7. Long-Term Obligations

The following is a summary of the long-term obligation activity for the year ended December 31, 2025:

Business Type Activities	Beginning Balance	Additions	Deletions	Ending Balance	Due within One Year
Water and Sewer					
Revenue Bonds Payable	$ 42,788	$ -	$ 12,122	$ 30,666	$ 14,407
Lease Purchase Agreement	-	312,884	11,448	301,436	23,343
Total	$ 42,788	$ 312,884	$ 23,570	$ 332,102	$ 37,750

The Village issued revenue bonds in the original amount of $237,000 to the United States Department of Agriculture (USDA), Farmers Home Administration, for the purpose of constructing a Water and Waste Disposal System. These bonds, originally issued on April 5, 1988, bear an interest rate of 6.0% and mature on December 31, 2027. As of December 31, 2025, the outstanding principal balance is $30,666. Interest expense of $2,285 related to these bonds were charged to the Water and Sewer Fund, which is reported as a business-type activity.

The bonds mature according to the following schedule:

USDA	Principal Payments	Interest Payments
Year ending December 31,		
2026	$ 14,407	$ 1,448
2027	16,259	559
Total	$ 30,666	$ 2,007

The Village entered into a Louisiana Municipal Lease-Purchase Agreement with Government Capital Corporation dated May 23, 2025, for the purpose of financing sewer oxidation plant/oxidation pond equipment for the Epps Water Sewer Oxidation Pond. The agreement has an original principal amount of $312,884, with net proceeds/escrow funding of $310,889 after issuance costs of $1,995, bears interest at 6.862%, and is payable in 120 monthly installments of $3,610, with final payment scheduled in 2035. As of December 31, 2025, the outstanding principal balance is $301,436. Interest expense of $10,578 related to this obligation was charged to the Water and Sewer Fund, which is reported as a business-type activity.

Lease Purchase	Principal Payments	Interest Payments
Year ending December 31,		
2026	$ 23,343	$ 19,984
2027	24,996	18,331
2028	26,767	16,581
2029	28,662	13,509
2030	30,692	12,635
2031-2035	166,976	27,637
Total	$ 301,436	$ 108,677

8. Bond Covenant Requirements

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

a. "Reserve Fund." The Village must transfer $82 into this fund each month until $19,558 has been accumulated therein. Such amounts may be used only for the payment of maturing bonds and interest for which would otherwise be in default.

b. "Contingency Fund." The Village must transfer $97 into this fund each month. The deposits in this fund may be used for unusual or extraordinary maintenance, repairs, replacements, and extensions and for the cost of improvements to the system. Money in this fund may also be used to pay principal and interest on bonds falling due at any time there is not sufficient funds in the other reserve funds.

c. "Sinking Fund." The Village must transfer into this fund, each month, one-twelfth of the principal and interest due on the next principal and interest payment date. This fund is used to pay bond principal and interest as they become due.

Debt Service Reserve Fund:	
Balance, beginning of year	$ 15,181
Transfer from unreserved position	1,864
Balance, end of year	$ 17,045
Contingency Fund:	
Balance, beginning of year	$ 15,193
Transfer from unreserved position	1,862
Balance, end of year	$ 17,055

9. Retirement System

No employees are currently participating in any retirement system.

10. Risk Management and Contingent Liabilities

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

11. Water Sector Program Grant Agreement

The Village entered into a grant agreement with the State of Louisiana, Division of Administration (DOA), under which the Village of Epps (Subrecipient Number LAWSP10756) is the subrecipient for a Water Sector Program project to construct an oxidation pond for the Village's sewer system. The total award is $1.5 million.

Grant funds are disbursed by DOA on a reimbursement basis through monthly pay applications after required documentation is provide. The agreement includes eligibility and compliance requirements, including restrictions on reimbursement for certain pre-award costs, requirements related to authorization to bid or begin construction, and documentation of matching funds.

Either party may terminate the agreement for cause, and the State may terminate the agreement for convenience. Upon certain terminations by DOA for cause, the Village may be liable to return funds transferred by DOA.

12. Subsequent Events

In preparing these financial statements, the Village has evaluated events and transactions for potential recognition or disclosure through June 26, 2026, the date the financial statements were available to be issued, and it was determined that no additional disclosures are necessary.

REQUIRED SUPPLEMENTARY INFORMATION (PART II)

VILLAGE OF EPPS, LOUISIANA

BUDGETARY COMPARISON SCHEDULE – GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts			Variance With Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues				
Franchise Tax	$ 10,000	$ 10,320	$ 10,319	$ (1)
Ad Valorem Tax	20,000	22,980	19,795	(3,185)
Sales Tax	28,000	31,340	31,482	142
Licenses and Permits	25,500	23,319	23,424	105
Intergovernmental Revenues:				
State Funds:				
Grant	25,000	14,080	14,079	(1)
Fines and Tickets	5,500	261,805	265,849	4,044
Rent	19,000	17,725	17,600	(125)
Other Revenues	6,062	2,130	2,130	-
Total Revenues	139,062	383,699	384,678	979
Expenditures				
General Government	74,700	89,867	99,997	(10,130)
Public Safety and Protection	40,300	64,710	51,176	13,534
Capital Outlay	-	43,685	44,701	(1,016)
Total Expenditures	115,000	198,262	195,874	2,388
Excess of Revenues Over Expenditures	24,062	185,437	188,804	3,367
Fund Balance at Beginning of Year	45,964	-	21,902	21,902
Fund Balance at End of Year	$ 70,026	$ 185,437	$ 210,706	$ 25,269

The Village uses the following budget practices:

A proposed budget for the General Fund, prepared on the modified accrual basis of accounting, is normally presented to the board of aldermen in December each year. The budget is legally adopted by the board of aldermen and amended during the year, as necessary. Budgets are established and controlled by the board at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. The budget was amended once during the year ended December 31, 2025.

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

SUPPLEMENTARY INFORMATION

VILLAGE OF EPPS, LOUISIANA

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

FOR THE YEAR ENDED DECEMBER 31, 2025

Agency Head: Brittney Clark, Mayor

Salary	$5,000

VILLAGE OF EPPS, LOUISIANA

SCHEDULE OF COMPENSATION PAID TO ELECTED OFFICIALS

FOR THE YEAR ENDED DECEMBER 31, 2025

Brittany Clark, Mayor	$	5,000
Alderwoman Savanna Simms		1,563
Alderwoman Ashley Herrington		1,563
Alderwoman Tina McCandlish		1,563
Roosevelt Porter, Chief of Police		24,000
Total	$	33,689

VILLAGE OF EPPS, LOUISIANA

JUSTICE SYSTEM FUNDING SCHEDULE – COLLECTING/DISBURSING ENTITY
CASH BASIS PRESENTATION
AS REQUIRED BY LA R.S. 24:515.2

FOR THE YEAR ENDED DECEMBER 31, 2025

	First Six Month Period Ended 6/30/2025	Second Six Month Period Ended 12/31/2025
Beginning Cash Balance	$ -	$ -
Collections:		
Criminal Court Costs/Fees	108,537	156,476
Criminal Fines - Contempt	-	-
Total Collected	108,537	156,476
Deductions:		
Disbursements to Other Governments and Nonprofits		
Criminal Court Costs/Fees		
LA Commission on Law Enforcement and Administration of Criminal Justice	2	102
City Attorneys Association	95	-
Louisiana Supreme Court Judge Administration	1	26
Louisiana Department of Public Safety	-	80
West Carroll Clerk of Court	322	-
Department of the Treasury, CMIS	1	52
Department of the Treasury, Traumatic Head and Spinal Cord Injury Trust Fund	5	265
Criminalistics Laboratory North Louisiana	-	40
Total Deductions	426	565
Total retained by entity	108,111	155,911
Ending Cash Balance	$ -	$ -

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

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

Honorable Brittany Clark, Mayor
Members of the Board of Aldermen
Village of Epps, Louisiana

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Epps, Louisiana (the Village), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated June 26, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Village of Epps, Louisiana's Response to Findings

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

Purpose of this Report

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

Heard, McElroy & Vestal, LLC

Monroe, Louisiana
June 26, 2026

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

Honorable Brittany Clark, Mayor
Members of the Board of Alderman
Village of Epps, Louisiana

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited The Village of Epps, Louisiana's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of The Village of Epps, Louisiana's major federal programs for the year ended December 31, 2025. The Village of Epps, Louisiana's major federal programs are identified in ITS Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, The Village of Epps, Louisiana complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of the major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Heard, McElroy & Vestal, LLC

Monroe, Louisiana
June 26, 2026

VILLAGE OF EPPS, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2025

Federal Grants/Pass Through Grantor/Program Title	Assistance Listing Number	Agency or Pass-Through Number	Federal Expenditures
U.S. Department of the Treasury			
Direct - COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	$ 54,172
Passed through Louisiana Division of Administration Office of Community Development	21.027	LAWSP10756	1,576,396
Total U.S. Department of the Treasury			1,630,568
Total Federal Expenditures			$ 1,630,568

See accompanying notes of the Schedule of Expenditures of Federal Awards.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2025

1. General – The Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the Village of Epps, Louisiana. The Village of Epps, Louisiana reporting entity is described in Note 1 to the Village's financial statements. All federal award programs received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

2. Basis of Accounting - The Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the Village's financial statements. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

3. Federal Indirect Cost Rate - The Village of Epps, Louisiana did not elect to use the 15% de minimis federal indirect cost rate for the year ended December 31, 2025.

We have audited the financial statements of the governmental activities, business-type and each major fund, and the aggregate remaining fund information of the Village of Epps, as of and for the year ended December 31, 2025, which collectively comprise the basic financial statements and have issued our report thereon dated June 26, 2026. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2025 resulted in an unmodified opinion.

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

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

Internal Control
Material Weakness __X__ yes ____no

Significant Deficiencies not considered to be
Material Weaknesses ____ yes __X__no

Compliance
Noncompliance Material to Financial Statements __X__ yes ____ no

B. Federal Awards

Material Weakness Identified ____ yes __X__no

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

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

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

C. Identification of Major Programs:

Name of Federal Program (or cluster):

Coronavirus State and Local Recovery Funds

AL Number 21.027

Dollar threshold used to distinguish between Type A and Type B Programs. $1,000,000.

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

Section II Financial Statement Finding

2025-001 Inadequate Segregation of Accounting Duties

Criteria

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

Condition

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

Cause

The small size and limited revenues of the Village.

Effect

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

Recommendation

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

Response

See corrective action plan.

2025-002 Uncollateralized Public Deposits at Period End

Criteria

Louisiana law requires local depositing authorities to require security for public deposits in excess of FDIC/government insurance through permissible pledged securities or other authorized coverage (La. R.S. 39:1221). Louisiana law also includes collateral timing/secured deposit requirements (La. R.S. 39:1214).

Condition

As of December 31, 2025 the Village had $12,961 of bank balances at Guaranty Bank that were not covered by pledged securities or other authorized coverage at period end.

Cause

Effective monitoring was not in place and the Village did not confirm with the bank that there was sufficient coverage at year end.

Effect

The Village was exposed to custodial credit risk for the portion of deposits not secured by pledged collateral or other authorized coverage, which could result in a potential loss of public funds if the financial institution were to fail.

Recommendation

The Village should implement and document procedures to monitor public deposit balances and related collateral coverage at least monthly (and at year-end), obtain updated collateral reports from the depository/third-party custodian, and ensure all deposits in excess of FDIC/government insurance are secured with permissible collateral or other authorized coverage in accordance with La. R.S. 39:1221 and the timing/secured deposit requirements of La. R.S. 39:1214.

Response

See corrective action plan

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

None.

2024-01 Inadequate Segregation of Accounting Duties

Condition Found

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

Effect

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

Recommendation to Prevent Future Occurrences

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

Current Status

The finding was repeated as finding 2025-01.

2024-02 Late Filing of Review Report

Condition Found

The review report was submitted after the statutory due date.

Effect

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

Recommendation

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

Current Status

Finding is resolved.

Village of Epps

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Epps, LA 71237
318-926-5224 office 318-926-4133 fax
eppsvillage@gmail.com

Roosevelt Porter
Chief of Police

Council
Savanna Simms, Ashley Herrington, Cristal Francis

Brittney Clark
Mayor

Corrective Action Plan

6/26/2026

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

The Village of Epps respectfully submits the following corrective action plan for the year ended December 31, 2025.

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

Section 2: Financial Statement Findings

2025-001: The Village feels that the cost of hiring more staff far exceeds its benefits.

2025-002: The Village will monitor the combined bank balances monthly. The Village will also review the bank balances after making any significant deposits.

Anticipated Completion Date: December 31, 2026

Name of Contact Person Responsible for Corrective Action: Brittany Clark, Mayor

Sincerely yours,

Britty W Clark

Brittney Clark, Mayor

Village of Epps

Agreed-Upon Procedures Report
For the Year Ended December 31, 2025

HMV
CERTIFIED PUBLIC
ACCOUNTANTS

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

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

Village of Epps
Epps, Louisiana

Louisiana Legislative Auditor
Baton Rouge, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2025, through December 31, 2025. Village of Epps ("The Village") management is responsible for those C/C areas identified in the SAUPs.

The Village has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2025, through December 31, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

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

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

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

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

    d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

e) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

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

i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

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

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

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

Findings: *Twenty five exceptions for missing policies and procedures.*

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

   a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

   b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds.

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

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

Findings: *Six exceptions noted for minutes not including the progress of resolving audit findings.*

Bank Reconciliations

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

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

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

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

Findings: *Four exceptions for bank reconciliations not being reviewed by management/board member who does not handle cash.*

Collections (excluding electronic funds transfers)

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

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

   a) Employees that are responsible for cash collections do not share cash drawers/registers.

   b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

   c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

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

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

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day).

    a) Observe that receipts are sequentially pre-numbered.

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

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

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

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

Findings: *Exception noted for segregation of duties for collections. As the town clerk does all the work as collection and preparing collections and receiving cash.*

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

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

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

    b) At least two employees are involved in processing and approving payments to vendors.

    c) The employee responsible for processing payments is prohibited from adding/modifying vendor files unless another employee is responsible for periodically reviewing changes to vendor files.

    d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

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

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation

that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

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

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

11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3 above, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g. sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy.

Findings: *Three exceptions in segregation of duties when it comes to employee responsible for procession payments is prohibited from adding vendor files, person who signs the check, also mails checks. One exception noted that there are no approvals of online disbursements.*

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

12. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

13. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card, obtain supporting documentation, and:

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

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

14. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

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

Findings: *One exception when it comes to written documentation of the business or public purpose of an expense.*

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

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

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

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

       Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

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

Findings: *One exception for no documentation of reimbursement being reviewed or approved.*

Contracts

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

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

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

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

    d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Findings*: No exceptions noted.*

Payroll and Personnel

18. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related

paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

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

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

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

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

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

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

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

Findings*: No exceptions noted.*

Ethics

22. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

    a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period as required by R.S. 42:1170.

    b. Observe that the entity maintains documentation which demonstrates each employee and official was notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

23. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Findings: *Two exceptions noted for two employees not completing ethics training during the fiscal period.*

Debt Service

24. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing,

obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

25. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Findings: *No exceptions noted.*

Fraud Notice

26. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

27. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Findings: *No exceptions noted.*

Information Technology Disaster Recovery/Business Continuity

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

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

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

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

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

30. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The

requirements are as follows: a) Hired before June 9, 2020 - completed the training; and b) Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

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

Prevention of Sexual Harassment

31. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year, as required by R.S 42:343.
32. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
33. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:
    1. Number and percentage of public servants in the agency who have completed the training requirements;
    2. Number of sexual harassment complaints received by the agency;
    3. Number of complaints which resulted in a finding that sexual harassment occurred;
    4. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
    5. Amount of time it took to resolve each complaint.

Findings: *Six exceptions noted for posting of sexual harassment policy on premises, four employees not having required training, and Entity did not have an annual sexual harassment report for the fiscal period.*

Management's Response

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

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

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

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance.

Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Heard, McElroy & Vestal, LLC

Monroe, Louisiana
June 26, 2026