

Village Of Junction City, Louisiana

*Financial Statements
For The Year Ended June 30, 2025*



Village Of Junction City, Louisiana
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For the Year Ended June 30, 2025

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INDEPENDENT AUDITORS' REPORT

Honorable Toby Wilson, Mayor
Members of the Board of Aldermen
Village of Junction City, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village of Junction City, Louisiana (the Village), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and budgetary comparison information on pages 4-11 and page 31, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the

basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The schedule of compensation, benefits, and other payments to the agency head and Justice System Funding Schedules for Collecting/Disbursing Entities are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The Justice System Funding Schedules are presented to satisfy the requirements of Act 87 of the 2020 Regular Legislative Session.

The schedule of compensation, benefits, and other payments to the agency head, and the Justice System Funding Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to the agency head and the Justice System Funding Schedules are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

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

West Monroe, Louisiana
August 26, 2026

Cameron Hines & Company (APAC)

**Village Of Junction City, Louisiana
Management's Discussion and Analysis
For the Year Ended June 30, 2025**

Our discussion and analysis of the Village of Junction City, Louisiana provides an overview of the Village's activities for the year ended June 30, 2025. Please read it in conjunction with the basic financial statements. The intent of this discussion and analysis is to look at the Village's financial performance as a whole.

FINANCIAL HIGHLIGHTS

- The assets of the Village of Junction City, on a government-wide basis, exceeded its liabilities at June 30, 2025 by \$2,544,030. Of this amount, \$820,035 is unrestricted. Assets exceeded liabilities by \$2,141,663 at June 30, 2024. Of this amount, \$851,696 was unrestricted.
- The Village's total net position increased by \$402,862 for the fiscal year ended June 30, 2025. This is a result of a \$466,111 increase in governmental net position and a \$63,249 decrease in business-type net position. The Village's total net position decreased by \$93,833 for the fiscal year ended June 30, 2024. This is a result of a \$38,319 decrease in governmental net position and a \$55,514 decrease in business-type net position.
- The Village's governmental activities reported combined ending net position at June 30, 2025 of \$1,400,806. Unrestricted net position accounts for \$787,196. The Village's governmental activities reported combined ending net position at June 30, 2024 of \$935,190. Unrestricted net position accounts for \$807,943.
- The unassigned fund balance of the general fund was \$787,196 at June 30, 2025, or 118% of the total general fund expenditures. The unassigned fund balance of the general fund was \$807,943 at June 30, 2024, or 635% of the total general fund expenditures.
- The general fund reported expenditures over revenues of \$20,747 and \$26,972 for the years ended June 30, 2025 and 2024, respectively.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Village of Junction City's basic financial statements. The basic financial statements comprise three components:

- *Government-wide financial statements.*
- *Fund financial statements.*
- *Notes to the financial statements.*

This report contains other supplementary information in addition to the basic financial statements themselves.

The basic financial statements include two kinds of statements that present different views of the Village:

**Village Of Junction City, Louisiana
Management's Discussion and Analysis
For the Year Ended June 30, 2025**

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Village's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Village's government, reporting operations in more detail than the government-wide statements.
- The governmental fund statement tells how general government services like public safety were financed in the short-term as well as what amounts remain for future spending.
- The proprietary fund statement offers short and long-term financial information about the activities the government operates like businesses, such as the public utilities (water, sewer, sewer treatment systems).

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

In the past, the primary focus of local government financial statements has been summarized fund type information on a current resources basis. However, with the implementation of Statement No. 34 of the Governmental Accounting Standards Board (GASB Statement No. 34) for June 30, 2005, the focus is on both the Village as a whole (government-wide) and the fund financial statements. Each view provides a different snapshot of the Village's finances. Both perspectives (government-wide and fund) allow the user to address relevant questions, broaden the basis of comparison (year-to-year or government-to-government) and enhance the Village's accountability.

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the Village of Junction City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position and the statement of activities, which are the government-wide statements, include all of the government's assets and liabilities using the accrual basis of accounting, similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two government-wide statements report the Village's net assets and how they have changed. Net position – the difference between the Village's assets and liabilities – are one way to measure the Village's financial health, or financial position. Over time, increases or decreases in the City's net assets are an indicator of whether its financial health is improving or deteriorating.

In the statement of net position and the statement of activities, the Village is divided into two categories:

- Governmental activities – Most of the Village's basic services are included here, such as the activities of the police, garbage and trash collection, park, and general administration. Franchise fees, insurance taxes, traffic fines, and payments from other governments finance most of these activities.

**Village Of Junction City, Louisiana
Management's Discussion and Analysis
For the Year Ended June 30, 2025**

- Business-type activities – The Village charges fees to customers to cover the cost of the services it provides. Water, sewer and sewer treatment are included here. Grants have provided most of the capital assets required for these services.

FUND FINANCIAL STATEMENTS

The format of the fund financial statements will be more familiar to traditional users of government financial statements. The fund financial statements provide more detailed information about the Village's most significant funds – not the Village as a whole. Funds are accounting mechanisms that the Village uses to keep track of specific sources of funding and spending for particular purposes.

The Village has two kinds of funds:

- Governmental funds – Most of the Village's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances remaining at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs. Because this information does not encompass the long-term focus of the government-wide statements, additional information is provided on a subsequent page that explains the relationship (or differences) between the government-wide and fund statements.
- Proprietary funds – Services for which the Village charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both short-term and long-term financial information. The Village's enterprise funds are the same as its business-type activities, but provide more detail and additional information, such as cash flows.

The Total Governmental Funds column requires reconciliation because of the different measurement focus from the government-wide statements (current financial resources versus total economic resources) which is reflected at the bottom of each statement. The flow of current financial resources will reflect interfund transfers as other financing sources as well as capital expenditures as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations into the Governmental Activities column (in the government-wide statements).

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

The Village's combined net position for the 2025-2024 fiscal year increased by \$402,862. A condensed statement of position for the years ended June 30, 2025 and 2024 is shown below:

**Village Of Junction City, Louisiana
Management's Discussion and Analysis
For the Year Ended June 30, 2025**

For The Year Ended June 30, 2025

	Governmental Activities	Business Type Activities	Total Primary Government
ASSETS:			
Current and Other Assets	\$ 832,947	\$ 66,879	\$ 899,826
Capital Assets	613,610	1,093,365	1,706,975
Total Assets	\$ <u>1,446,557</u>	\$ <u>1,160,244</u>	\$ <u>2,606,801</u>

LIABILITIES:			
Other Liabilities	\$ 45,751	\$ 17,020	\$ 62,771
Long-term Debt Outstanding	-	-	-
Total Liabilities	<u>45,751</u>	<u>17,020</u>	<u>62,771</u>

NET POSITION:			
Invested in Capital Assets Net of Debt	613,610	1,093,365	1,706,975
Restricted	-	17,020	17,020
Unrestricted	787,196	32,839	820,035
Total Net Position	\$ <u>1,400,806</u>	\$ <u>1,143,224</u>	\$ <u>2,544,030</u>

For The Year Ended June 30, 2024

	Governmental Activities	Business Type Activities	Total Primary Government
ASSETS:			
Current and Other Assets	\$ 810,083	\$ 104,541	\$ 914,624
Capital Assets	127,247	1,144,475	1,271,722
Total Assets	\$ <u>937,330</u>	\$ <u>1,249,016</u>	\$ <u>2,186,346</u>

LIABILITIES:			
Other Liabilities	\$ 2,140	\$ 28,036	\$ 30,176
Long-term Debt Outstanding	-	14,507	14,507
Total Liabilities	<u>2,140</u>	<u>42,543</u>	<u>44,683</u>

NET POSITION:			
Invested in Capital Assets Net of Debt	127,247	1,120,177	1,247,424
Restricted	-	42,543	42,543
Unrestricted	807,943	43,753	851,696
Total Net Position	\$ <u>935,190</u>	\$ <u>1,206,473</u>	\$ <u>2,141,663</u>

**Village Of Junction City, Louisiana
Management's Discussion and Analysis
For the Year Ended June 30, 2025**

Net Position (assets less liabilities) may serve over time as a useful indicator of a government's financial position. The Village of Junction City's assets exceeded liabilities by \$2,544,030 at the close of the fiscal year. The largest portion of the Village's net position (67.10%) reflects its investment in capital assets. The Village uses these assets to provide services to its citizens and those assets are not available for spending.

Governmental Activities

Net Position of the Village's governmental activities increased \$466,111 and decreased by \$38,319 for the years ended June 30, 2025 and 2024, respectively.

Business-type Activities

Net Position of the Village's business-type activities decreased \$63,249 and \$55,514 for the fiscal years ended June 30, 2025 and 2024, respectively.

Statement of Activities

The following tables show the revenues and expenses of the governmental and business type activities for the fiscal years ended June 30, 2025 and 2024:

For The Year Ended June 30, 2025

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total Primary Government</u>
REVENUES:			
Program Revenues			
Charges for Services	\$ 25,399	\$ 166,396	\$ 191,795
Operating Grants and Contributions	9,100	-	9,100
Capital Grants and Contributions	457,199	-	457,199
General Revenues			
Property Taxes	6,880	-	6,880
Sales Taxes	27,414	-	27,414
Franchise Revenue	26,065	-	26,065
Occupational Licenses	71,031	-	71,031
Interest Earned	12,505	3,182	15,687
Miscellaneous	6,675	-	6,675
Total Revenues	<u>642,268</u>	<u>169,578</u>	<u>811,846</u>

**Village Of Junction City, Louisiana
Management's Discussion and Analysis
For the Year Ended June 30, 2025**

EXPENSES:

General Government	96,338	-	96,338
Public Safety	79,819	-	79,819
Utilities	-	232,827	232,827
Total Expenses	<u>176,157</u>	<u>232,827</u>	<u>408,984</u>
Operating Transfers	-	-	-
Increase/Decrease in Net Position	466,111	(63,249)	402,862
Net Position Beginning	935,190	1,206,473	2,141,663
Net Position Ending	<u>\$ 1,400,806</u>	<u>\$ 1,143,224</u>	<u>\$ 2,544,030</u>

For The Year Ended June 30, 2024

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total Primary Government</u>
REVENUES:			
Program Revenues			
Charges for Services	\$ 12,680	\$ 170,102	\$ 182,782
Operating Grants and Contributions	6,300	-	6,300
Capital Grants and Contributions	-	-	-
General Revenues			
Property Taxes	5,668	-	5,668
Sales Taxes	32,240	-	32,240
Franchise Revenue	14,246	-	14,246
Occupational Licenses	6,835	-	6,835
Interest Earned	15,914	3,561	19,475
Miscellaneous	8,523	-	8,523
Total Revenues	<u>102,406</u>	<u>173,663</u>	<u>276,069</u>

EXPENSES:

General Government	80,277	-	80,277
Public Safety	58,355	-	58,355
Utilities	-	231,270	231,270
Total Expenses	<u>138,632</u>	<u>231,270</u>	<u>369,902</u>
Operating Transfers	(2,093)	2,093	-
Increase/Decrease in Net Position	(38,319)	(55,514)	(93,833)
Net Position Beginning	973,509	1,261,987	2,235,496
Net Position Ending	<u>\$ 935,190</u>	<u>\$ 1,206,473</u>	<u>\$ 2,141,663</u>

**Village Of Junction City, Louisiana
Management's Discussion and Analysis
For the Year Ended June 30, 2025**

Governmental Activities

During the fiscal years ended June 30, 2025 and 2024, the major sources of income were:

	<u>2025</u>	<u>2024</u>
• Sales Tax	4%	34%
• Franchise Fees	4%	15%
• Occupational Licenses	11%	7%
• Fines & Forfeitures	4%	13%
• Grant Funds	73%	-%
• Investment Earnings	2%	17%

Business-type Activities

Total revenues from business-type activities were \$169,578 and \$173,663 for the fiscal years ended June 30, 2025 and 2024.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

The Village of Junction City uses Fund accounting and demonstrates compliance with finance-related legal requirements.

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The Village's combined ending fund balances were \$787,196 and \$807,943 at June 30, 2025 and 2024. The unassigned portions or the portion available for spending were \$787,196 and \$807,943.

Proprietary Funds

The Village's proprietary funds provide the same type information found in the government-wide financial statements, but in more detail.

Net position of the Utilities Enterprise fund was \$1,143,224 and \$1,206,473 at June 30, 2025 and 2024. The fund had operating losses of \$63,249 and \$61,168, for the fiscal years ended June 30, 2025 and 2024, respectively.

**Village Of Junction City, Louisiana
Management's Discussion and Analysis
For the Year Ended June 30, 2025**

CAPITAL ASSETS AND DEBT ADMINISTRATION

The Village of Junction City's investment in capital assets for its governmental and business-type activities as of June 30, 2025 and 2024 amounted to \$1,706,975 and \$1,271,722 and (net of depreciation). This investment includes land, buildings and improvements, equipment, vehicles, water and sewer facilities. The outstanding debt of \$-0- and \$24,298 is to Louisiana Department of Transportation & Development for utility relocation assistance.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Village's management and elected officials considered many factors when preparing the 2025-2026 budget. Revenue sources are projected to be lower with anticipated decreases in occupational licenses and grant funds compared to prior year collections.

REQUEST FOR INFORMATION

This financial report is to provide citizens, taxpayers, customers, and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the funds it receives. If you have any questions about this report or need additional information, contact the Village Clerk, Village of Junction City, Louisiana, P.O. Box, 142, Junction City, Louisiana 71749.

Village of Junction City, Louisiana
Statement of Net Position
June 30, 2025

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and Cash Equivalents	\$ 150,186	\$ 159,495	\$ 309,681
Investments	426,463	95,581	522,044
Receivables	49,147	18,954	68,101
Internal Balances	207,151	(207,151)	-
Capital Assets			
Land, Improvements, and Construction in Progress	530,971	1,400	532,371
Other Capital Assets, Net of Depreciation	82,639	1,091,965	1,174,604
Total Assets	\$ 1,446,557	\$ 1,160,244	\$ 2,606,801
Liabilities and Net Position			
Liabilities			
Accounts Payable and Accrued Expenses	\$ 25,067	\$ -	\$ 25,067
Retainage Payable	20,684	-	20,684
Customer Deposits	-	17,020	17,020
Long-Term Liabilities			
Notes Payable - Due Within One Year	-	-	-
Notes Payable - Due In More Than One Year	-	-	-
Total Liabilities	45,751	17,020	62,771
Net Position			
Invested in Capital Assets, Net of Related Debt	613,610	1,093,365	1,706,975
Restricted For:			
Debt Service	-	17,020	17,020
Unrestricted	787,196	32,839	820,035
Total Net Position	1,400,806	1,143,224	2,544,030
Total Liabilities and Net Position	\$ 1,446,557	\$ 1,160,244	\$ 2,606,801

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

Village of Junction City, Louisiana

Statement of Activities

For The Year Ended June 30, 2025

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Capital Grants and Contributions	Operating Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 96,338	\$ -	\$ 457,199	\$ -	\$ 360,861	\$ -	\$ 360,861
Public Safety	79,819	25,399	-	9,100	(45,320)	-	(45,320)
Total Governmental Activities	<u>\$ 176,157</u>	<u>\$ 25,399</u>	<u>\$ 457,199</u>	<u>\$ 9,100</u>	<u>\$ 315,541</u>	<u>\$ -</u>	<u>\$ 315,541</u>
Business-Type Activities:							
Utilities	\$ 232,827	\$ 166,396	\$ -	\$ -	\$ -	\$ (66,431)	\$ (66,431)
Total Business-Type Activities	<u>\$ 232,827</u>	<u>\$ 166,396</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (66,431)</u>	<u>\$ (66,431)</u>
Total Primary Government	<u>\$ 408,984</u>	<u>\$ 191,795</u>	<u>\$ 457,199</u>	<u>\$ 9,100</u>	<u>\$ 315,541</u>	<u>\$ (66,431)</u>	<u>\$ 249,110</u>

General Revenues:

Taxes:			
Property Taxes Levied for General Purposes	6,880	-	6,880
Sales Tax Levied for General Purposes	27,414	-	27,414
Franchise Revenues	26,065	-	26,065
Occupational Licenses	71,031	-	71,031
Unrestricted Investment Earnings	12,505	3,182	15,687
Miscellaneous	6,675	-	6,675
Transfers	-	-	-
Total General Revenues and Transfers	<u>150,570</u>	<u>3,182</u>	<u>153,752</u>
Changes in Net Position	<u>466,111</u>	<u>(63,249)</u>	<u>402,862</u>
Net Position - Beginning	<u>934,695</u>	<u>1,206,473</u>	<u>2,141,168</u>
Net Position - Ending	<u>\$ 1,400,806</u>	<u>\$ 1,143,224</u>	<u>\$ 2,544,030</u>

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

Village of Junction City, Louisiana
Balance Sheet
Governmental Funds
June 30, 2025

	General Fund	Total Governmental Funds
Assets		
Cash and Cash Equivalents	\$ 150,186	\$ 150,186
Investments	426,463	426,463
Accounts Receivable	5,500	5,500
Grants Receivable	43,647	43,647
Due From Other Funds	207,151	207,151
Total Assets	\$ 832,947	\$ 832,947
 Liabilities and Fund Balances		
Liabilities		
Accounts Payable and Accrued Expenses	\$ 25,067	\$ 25,067
Retainage Payable	20,684	20,684
Total Liabilities	45,751	45,751
 Fund Balances		
Unassigned	787,196	787,196
Total Fund Balances	787,196	787,196
 Total Liabilities and Fund Balances	 \$ 832,947	

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 not reported in the funds

613,610

Net Position of Governmental Activities

\$ 1,400,806

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

Village of Junction City, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For The Year Ended June 30, 2025

	General Fund	Total Governmental Funds
Revenues		
Taxes	\$ 60,359	\$ 60,359
Intergovernmental	466,299	466,299
Licenses and Permits	71,031	71,031
Fines and Forfeitures	25,399	25,399
Miscellaneous	19,180	19,180
Total Revenues	<u>642,268</u>	<u>642,268</u>
Expenditures		
General Government	583,295	583,295
Public Safety	79,720	79,720
Total Expenditures	<u>663,015</u>	<u>663,015</u>
Excess of Revenues over Expenditures	<u>(20,747)</u>	<u>(20,747)</u>
Other Financing Sources (Uses)		
Operating Transfers - In	-	-
Operating Transfers - Out	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>(20,747)</u>	<u>(20,747)</u>
Fund Balances, Beginning of Year	807,943	
Fund Balances, End of Year	<u>\$ 787,196</u>	

Net Changes in Fund Balances - Total Governmental Funds (20,747)

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 assets purchased capitalized	498,699
Depreciation expense	<u>(11,841)</u>
	486,858
Changes in Net Position in Governmental Activities	<u>\$ 466,111</u>

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

Village of Junction City, Louisiana
Statement of Net Position
Proprietary Funds
June 30, 2025

Assets	
Current Assets	
Cash and Cash Equivalents	\$ 142,475
Investments	95,581
Receivables	18,954
Total Current Assets	<u>257,010</u>
Noncurrent Assets:	
Restricted Cash and Investments	17,020
Capital Assets	
Land	1,400
Machinery & Equipment	86,038
Buildings & Improvements	21,056
Waterworks System and Treatment Facilities	2,387,082
Total Capital Assets	<u>2,495,576</u>
Less: Accumulated Depreciation	<u>(1,402,211)</u>
Net Capital Assets	<u>1,093,365</u>
Total Noncurrent Assets	<u>1,110,385</u>
Total Assets	<u><u>\$ 1,367,395</u></u>

Liabilities and Net Position	
Liabilities	
Current Liabilities	
Accounts Payable	\$ -
Customer Deposits	17,020
Due to Other Funds	207,151
Total Current Liabilities	<u>224,171</u>
Noncurrent Liabilities	
Total Noncurrent Liabilities	<u>-</u>
Total Liabilities	<u>224,171</u>
Net Position	
Invested in Capital Assets, Net of Related Debt	1,093,365
Restricted	17,020
Unrestricted	32,839
Total Net Position	<u>1,143,224</u>
Total Liabilities and Net Position	<u><u>\$ 1,367,395</u></u>

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

Village of Junction City, Louisiana
Statement of Revenues, Expenses, and Changes in Net Position
For The Year Ended June 30, 2025

	Business-Type Activities Enterprise Fund
<u>Operating Revenues</u>	
Charges for Services - Water Sales & Sewer Fees	\$ 166,396
Total Operating Revenues	<u>166,396</u>
<u>Operating Expenses</u>	
Depreciation	51,110
Insurance	27,413
Licenses & Permits	3,057
Materials, Repairs & Supplies	65,143
Office Supplies & Expenses	6,855
Payroll Taxes	3,883
Salaries & Wages	50,622
Sample Collections/Testing	2,600
Utilities	22,144
Total Operating Expenses	<u>232,827</u>
Total Operating Income /(Loss)	<u>(66,431)</u>
<u>Non Operating Revenues/(Expenses)</u>	
Interest Income	3,182
Grants	-
Total Non Operating Revenues/(Expenses)	<u>3,182</u>
Net Income Before Operating Transfers	(63,249)
<u>Operating Transfers</u>	
Operating Transfers - In/(Out)	<u>-</u>
Net Income	\$ (63,249)
Net Position, Beginning of Year	1,206,473
Net Position, End of Year	<u><u>\$ 1,143,224</u></u>

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

Village of Junction City, Louisiana
Statement of Cash Flows
Proprietary Funds
For The Year Ended June 30, 2025

	Business-Type Activities Enterprise Fund
<u>Cash Flows From Operating Activities</u>	
Receipts from Customers	\$ 167,691
Payments to Provide Services	(107,194)
Payments to Employees	(50,622)
Net Cash Provided (Used) by Operating Activities	<u>9,875</u>
<u>Cash Flows From Noncapital Financing Activities</u>	
Decrease in Customer Deposits	(1,225)
Operating Transfers - In	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(1,225)</u>
<u>Cash Flows From Capital and Related Financing Activities</u>	
Principal Paid on URAF Agreement	(24,298)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(24,298)</u>
<u>Cash Flows From Investing Activities</u>	
Increase in Investments	(3,182)
Interest Earned	3,182
Net Cash Provided (Used) by Investing Activities	<u>-</u>
Net Increase/(Decrease) in Cash And Cash Equivalents	<u>(15,648)</u>
Cash And Cash Equivalents, Beginning of Year	175,143
Cash And Cash Equivalents, End of Year	<u><u>\$ 159,495</u></u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities	
Operating Income/(Loss)	\$ (66,431)
<i>Adjustments to Reconcile Net Loss to Net Cash Provided (Used) by Operating Activities:</i>	
Depreciation	51,110
Decrease in Accounts Receivable	1,295
Increase in Due to Other Funds	23,901
Net Cash Provided/(Used) by Operating Activities	<u><u>\$ 9,875</u></u>

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

Village Of Junction City, Louisiana
Notes to Financial Statements
For the Year Ended June 30, 2025

INTRODUCTION

The Village of Junction City, Louisiana (the Village) consists of an executive branch of government headed by a mayor and a legislative branch of government consisting of three aldermen. The Village's combined balance sheet includes the accounts of all the Village's operations. The Village's major operations include police protection, garbage and trash collection, culture/recreation, highways, streets, and administrative services. In addition, the Village operates a Utility Enterprise Fund to provide water and sewerage services.

The following is a summary of certain significant accounting policies and practices:

Note 1 – Summary of Significant Accounting Policies

The accompanying financial statements of the Village have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). In June 1999 the GASB issued *Statement 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* and *Statement 35 Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*. These statements establish new financial reporting requirements for state and local governments and public colleges and universities throughout the United States. They require new information and restructure much of the information that government should have presented in the past. Comparability with reports issued in years prior to 2004 is affected.

Other GASB Statements are required to be implemented in conjunction with GASB Statements 34 and 35. Therefore, the Village has implemented the following GASB Statements: Statement 37 – *Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments: Omnibus*, and Statement 38 – *Certain Financial Statements Note Disclosures*.

The accompanying financial statements present the financial position of the Village and the various funds and fund types, the results of operations of the Village and the various funds and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2025 and for the year then ended.

Financial Reporting Entity

As the municipal governing authority, for reporting purposes, the Village of Junction City, Louisiana is considered a separate financial reporting entity. This financial reporting entity consists of (a) the primary government, the Village of Junction City, Louisiana, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the Village are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Statement 14 established criteria for determining which component units should be considered part of the Village of Junction City, Louisiana for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the Village to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or

Village Of Junction City, Louisiana
Notes to Financial Statements
For the Year Ended June 30, 2025

impose specific financial burdens on, the Village; Organizations for which the Village does not appoint a voting majority but are fiscally dependent on the Village; Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship. Based on the previous criteria, the Village has determined that there are no component units that are part of the reporting entity.

Government-Wide and Fund Financial Statements

The government-wide financial statements (the statements of net position and the statements of activities) report information of all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these government-wide 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, segment or component unit are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function, segment or component unit. Program revenues include charges to customers who purchase, use or directly benefit from goods or services provided by a given function, segment or component unit. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, segment or component unit. Taxes and other items not properly included among program revenues are reported instead as general revenues. Resources that are dedicated internally are reported as general revenues rather than as programs revenues. The Village does not allocate general government (indirect) expenses to other functions.

Net position are restricted when constraints placed on them are either externally imposed or imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net assets. When both restricted and unrestricted resources are available for use, generally it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Government Fund Financial Statements – The 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 Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal year end. Principal revenue sources considered susceptible

Village Of Junction City, Louisiana
Notes to Financial Statements
For the Year Ended June 30, 2025

to accrual include federal grants, interest on investments, sales and income taxes, and lease payments receivable. Some revenue items that are considered measurable and available to finance operations during the year from an accounting perspective are not available for expenditure due to the Village's present appropriation system. These revenues have been accrued in accordance with accounting principles generally accepted in the United States of America since they have been earned and are expected to be collected within sixty days of the end of the period. Other revenues are considered to be measurable and available only when cash is received by the Village.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Modification to the accrual basis of accounting include: Employees' vested annual leave is recorded as an expenditure when utilized. The amount of accumulated annual leave unpaid at June 30, 2020 has been reported only in the government-wide financial statements. Interest on general long-term obligations is recognized when paid. Debt service expenditures are recorded only when payment is due.

Proprietary Funds – The financial statements of the proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting, similar to the government-wide statements described above.

Each proprietary fund has the option under Governmental Accounting Standards Board (GASB), Statement 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting* to elect to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The primary government's enterprise fund has elected to not apply FASBs issued after the applicable date.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fund Accounting

The financial activities of the Village are recorded in individual funds, each of which is deemed to be a separate accounting entity. The Village uses fund accounting to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Major Governmental Funds

General Fund – This fund accounts for all activities of the Village not specifically required to be accounted for in other funds. Included are transactions for services such as general government, health services, public safety, regulatory services, and social services.

Proprietary Funds

Water and Sewer Funds – These funds are used to account for the provision of water and sewerage to residents of the Village of Junction City. These funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or

Village Of Junction City, Louisiana
Notes to Financial Statements
For the Year Ended June 30, 2025

(b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Budgets

The Village uses the following budget practices:

1. In May of each year, the Village clerk submits to the board of alderman a proposed operating budget for the fiscal year commencing the following July. The operating budget includes proposed expenditures and expenses and the means of financing them.
2. In June of each year, the budget is legally enacted through passage of ordinance. The public is invited to attend all meetings.
3. The Village clerk is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures or expenses of any fund must be approved by the board of aldermen.

Budget comparison statements included in the accompanying financial statements include the original adopted budgets and all subsequent adopted amendments.

Cash and Cash Equivalents

Under state law, the Village may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

For purposes of the Statement of Cash Flows, cash equivalents include all highly liquid investments (including restricted assets) with a maturity date of three months or less when purchased.

Investments

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the Village's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

Short-Term Interest Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

Advances to Other Funds

Noncurrent portions of long-term interfund loan receivables are reported as advances and are offset equally by a fund balance reserve account, which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

Village Of Junction City, Louisiana
Notes to Financial Statements
For the Year Ended June 30, 2025

Bad Debts

Uncollectible amounts for ad valorem taxes and utility receivables are generally not significant. As a result, the direct write-off method for recognizing bad debts is used. Under this method, the receivable is charged to expense when the account is deemed to be uncollectible.

Fixed Assets

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized in the general fixed assets account group. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or fair market value at date of gift, if donated.

Fixed assets used in the proprietary fund operations are included on the balance sheet of the funds net of accumulated depreciation. Depreciation of all exhaustible fixed assets used by proprietary fund operation is charged as an expense against operations. Depreciation is computed using the straight-line method. The estimated useful lives are as follows:

Buildings	40 years
Improvements	40-50 years
Equipment	5-10 years

Compensated Absences

The Village does not have a formal leave policy.

Contributed Capital

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers, or other funds when such resources are restricted for the acquisition or construction of capital assets. Contributed capital is not amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources.

Fund Equity

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 governmental funds. The nonspendable 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.

Village Of Junction City, Louisiana
Notes to Financial Statements
For the Year Ended June 30, 2025

Committed Fund Balance – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Village aldermen – the government’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the

Village aldermen remove the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

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

Unassigned Fund Balance – This fund balance is the residual classification for the general fund. It is 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.

Total Columns on Combined Statements

Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operation, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Note 2 – Cash and Cash Equivalents

Custodial credit risk – deposits. The Village’s cash and certificates of deposit consist of deposits with financial institutions. State statutes govern the Village’s investment policy. Permissible investments include direct obligations of the U.S. Government and agency securities, certificates of deposit, and savings accounts or savings certificates of savings and loan associations and repurchase agreements. In

addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates the local government investment pool. Collateral is required for demand deposits, certificates of deposit, savings certificates of savings and loan associations and repurchase agreements at 100% of all amounts not covered by deposit insurance. Obligations that may be pledged as collateral are obligations of the United States government and its agencies and obligations of the state and its subdivisions. Per Louisiana State law, collateral is not required for funds invested in LAMP.

Village Of Junction City, Louisiana
Notes to Financial Statements
For the Year Ended June 30, 2025

The following is a schedule of the Village's cash and certificates of deposit at June 30, 2025. Differences between the Village's balances and the bank balances arise because of the net effect of deposits-in-transit and outstanding checks.

	<u>Book Balance</u>	<u>Bank Balance</u>
Cash on Deposit	\$ 309,681	\$ 314,810
Certificates of Deposit	<u>522,044</u>	<u>522,044</u>
Total	<u>\$ 831,726</u>	<u>\$ 836,854</u>

The Village's deposits are collateralized as follows:

FDIC Insured Deposits	\$ 250,000
Uninsured Deposits:	
Uncollateralized -	
Collateralized	<u>586,854</u>
Total Deposits	<u>\$ 836,854</u>

Credit risk. The Village's only investments are the certificates of deposit mentioned above, therefore the Village is exposed to no credit risk.

Concentration of credit risk. The Village does not limit the amount that may be invested in securities of any one issuer. Applicable state statutes do not place limits on credit concentration.

Interest rate risk. The Village manages its exposure to declines in fair values by limiting the maturity of its investments to not longer than one year.

Note 3 – Investments

At June 30, 2025, the Village's investments consisted of certificates of deposit in the amounts of \$522,044.

Note 4 – Ad Valorem Taxes

Property taxes are assessed and collected on a calendar year. Property taxes attach as an enforceable lien on property as of January 1. Tax notices are usually mailed in November each year and become delinquent after December 31, of that year.

The ad valorem tax millage is 4.62 mills. For the calendar year 2024, the 4.62 mills were levied on property with an assessed valuation totaling \$1,050,331 and were dedicated entirely for general purposes.

Village Of Junction City, Louisiana
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 5 – Receivables

Receivables at June 30, 2025, consisted of the following:

	<u>General Fund</u>	<u>Enterprise Fund</u>	<u>Total</u>
Accounts Receivable - Customers	\$ 5,500	\$ 18,954	\$ 24,454
Grants Receivable - LCDBG	43,647	-	43,647
Total	<u>\$ 49,147</u>	<u>\$ 18,594</u>	<u>\$ 68,101</u>

Note 6 – Restricted Assets

At June 30, 2025, restricted assets were either in the form of demand deposits or certificates of deposit. These assets represent amounts held as follows:

Utility Customer Deposits	\$ <u>17,020</u>
Totals	\$ <u><u>17,020</u></u>

Note 7 – Notes Payable

Long-term debt consists of the following at June 30, 2025:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Business Type Activities:					
Notes Payable:					
URAF Payable – LA	\$ 24,298	\$ -	\$ 24,298	\$ -	\$ -
DOTD					
Totals	<u>\$ 24,298</u>	<u>\$ -</u>	<u>\$ 24,298</u>	<u>\$ -</u>	<u>\$ -</u>

The annual debt service requirements to maturity for long-term debt as of June 30 are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>URAF Payable Interest</u>
2026	\$ -	\$ -
2027	-	-
2028	-	-
2029	-	-
2030	-	-
Thereafter	-	-
Totals	<u>\$ -</u>	<u>\$ -</u>

Village Of Junction City, Louisiana
Notes to Financial Statements
For the Year Ended June 30, 2025

The Village entered into a Utilities Relocation Assistance Funding (URAF) agreement on May 10, 2006. This agreement is for the utility relocation along the U.S. Highway 167 expansion route. The agreement stipulates a minimum annual payment of ten percent (10%) of the principal balance.

Note 8 – Capital Assets

A summary of changes in capital assets follows:

	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 32,272	\$ -	\$ -	\$ 32,272
Construction in Progress	-	498,699	-	498,699
Total capital assets, not being depreciated:	32,272	498,699	-	530,971
Capital assets, being depreciated				
Buildings & Improvements	346,913	-	-	346,913
Vehicles	286,613	-	-	286,613
Equipment	112,677	-	-	112,677
Total capital assets, being depreciated:	746,203	-	-	746,203
Less accumulated depreciation for:				
Buildings & Improvements	253,620	10,762	-	264,382
Vehicles	286,406	99	-	286,505
Equipment	111,697	980	-	112,677
Total accumulated depreciation	651,723	11,841	-	663,564
Total capital assets, being depreciated, net	94,480	(11,841)	-	82,639
Governmental activities capital assets, net	\$ 126,752	\$ 486,858	\$ -	\$ 613,610

Village Of Junction City, Louisiana
Notes to Financial Statements
For the Year Ended June 30, 2025

	<u>Balance June 30, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2025</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,400	\$ -	\$ -	\$ 1,400
Construction in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets, not being depreciated:	<u>1,400</u>	<u>-</u>	<u>-</u>	<u>1,400</u>
Capital assets, being depreciated:				
Buildings & Improvements	21,056	-	-	21,056
Waterworks System and Treatment Facilities	2,387,082	-	-	2,387,082
Machinery and Equipment	<u>86,038</u>	<u>-</u>	<u>-</u>	<u>86,038</u>
Total capital assets, being depreciated:	2,494,176	-	-	2,494,176
Less accumulated depreciation for:				
Buildings & Improvements	15,427	471	-	15,898
Waterworks System and Treatment Facilities	1,262,243	48,838	-	1,311,081
Machinery and Equipment	<u>73,431</u>	<u>1,801</u>	<u>-</u>	<u>75,232</u>
Total accumulated depreciation	<u>1,351,101</u>	<u>51,110</u>	<u>-</u>	<u>1,402,111</u>
Total capital assets, net	<u>1,143,075</u>	<u>(51,110)</u>	<u>-</u>	<u>1,091,965</u>
Business type activities capital assets, net	\$ <u>1,144,475</u>	\$ <u>(51,110)</u>	\$ <u>-</u>	\$ <u>1,093,365</u>

Note 9 – Interfund Receivables and Payables

Individual fund interfund receivables and payables at June 30, 2025, were as follows:

<u>Fund</u>	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 207,151	\$ -
Enterprise Fund	<u>-</u>	<u>207,151</u>
Total	<u>\$ 207,151</u>	<u>\$ 207,151</u>

Village Of Junction City, Louisiana
Notes to Financial Statements
For the Year Ended June 30, 2025

Note 10 – Pension and Retirement Plans

At June 30, 2025, there were no Village employees participating in any of the State retirement systems.

Note 11– Post-employment Health Care Benefits

The Village does not provide medical coverage for its retirees; consequently, there is no liability for post-employment health care benefits.

Note 12 – Compensation of Mayor and Alderman

The mayor and alderman of the Village of Junction City, Louisiana, were paid the following amounts during the fiscal year ended June 30, 2025:

Mr. Charles Hogue, Former Mayor	\$ 5,400
Mr. Brant Cupp	1,200
Mr. Melvin Smith	1,200
Mr. Toby Wilson, Current Mayor, Former Alderman	<u>2,700</u>
Total	<u>\$ 10,500</u>

Note 13 – Subsequent Events

Date of Management Evaluation

Management has evaluated subsequent events through August 26 2026, the date on which the financial statements were available to be issued.

Village of Junction City, Louisiana
Budgetary Comparison Schedule - General Fund
For The Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final	GAAP Basis	Favorable (Unfavorable)
Revenues				
Taxes	\$ 35,000	\$ 35,000	\$ 60,359	\$ 25,359
Intergovernmental	33,000	33,000	466,299	433,299
Licenses and Permits	25,000	25,000	71,031	46,031
Fines and Forfeitures	38,000	38,000	25,399	(12,601)
Miscellaneous	2,000	2,000	19,180	17,180
Total Revenues	133,000	133,000	642,268	509,268
Expenditures				
General Government	92,139	92,139	583,295	(491,156)
Public Safety	38,000	38,000	79,720	(41,720)
Total Expenditures	130,139	130,139	663,015	(532,876)
Excess of Revenues over Expenditures	2,861	2,861	(20,747)	(23,608)
Other Financing Sources (Uses)				
Operating Transfers - In	-	-	-	-
Operating Transfers - Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	2,861	2,861	(20,747)	(23,608)
Fund Balances, Beginning of Year	807,943	807,943	807,943	-
Fund Balances, End of Year	\$ 810,804	\$ 810,804	\$ 787,196	\$ (23,608)

See independent auditors' report.

Village Of Junction City, Louisiana
Notes To Budgetary Comparison Schedule
For The Year Ended June 30, 2025

The Village uses the following budget practices:

1. In May of each year, the Mayor submits to the Board of Aldermen an operating and capital budget for the succeeding year.
2. A public hearing is scheduled by the Mayor and the Board of Aldermen after allowing for at least ten days notice to the public at the time the budget is initially submitted to the Board of Aldermen.
3. Final adoption of the budget by the Board of Aldermen is in June.
4. The Mayor may authorize transfers of budgetary amounts within departments. Any revision requiring alteration of levels of expenditures or transfers between departments must be approved by the Board of Aldermen.
5. Operating appropriations and non-major capital appropriations, to the extent not expended, lapse at year end.
6. All legally adopted budgets of the Village are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgets are adopted for the General Fund and the Utility Enterprise Fund.

Budget comparison statements included in the accompanying financial statements include the original adopted budget and all subsequent adopted amendments.

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

To the Honorable Mayor and Board of Aldermen
Village of Junction City
Junction City, Louisiana:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, of the Village of Junction City, Louisiana (the Village), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated August 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2025-001 that we consider to be material weaknesses.

To the Honorable Mayor and Board of Aldermen
Village of Junction City
Junction City, Louisiana
Page 2

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2025-002 and 2025-003.

Village of Junction City, Louisiana's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Village's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Village's 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.

West Monroe, Louisiana
August 26, 2026

Cameron Hines & Company (APAC)

**Village of Junction City, Louisiana
Schedule of Findings and Responses
For The Year Ended June 30, 2025**

Honorable Mayor and Board of Aldermen of
Junction City, Louisiana

We have audited the financial statements of the Village of Junction City, Louisiana as of and for the year ended June 30, 2025, and have issued our report thereon dated August 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 June 30, 2025, resulted in an unmodified opinion.

Section I- Summary of Auditors' Reports

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

	<u>Yes</u>	<u>No</u>
<u>Internal Control</u>		
Material Weaknesses	X	
Significant Deficiencies		X
<u>Compliance</u>		
Noncompliance Material to Financial Statements	X	

B. Federal Awards: N/A

Internal Control

Material Weakness Identified _____ yes _____ no

Significant Deficiencies not considered to be
Material Weaknesses

_____ yes _____ no

Type of Opinion on Compliance For Major Programs

Unmodified _____ Modified _____

Disclaimer _____ Adverse _____

Are their findings required to be reported in accordance with Title 2 U.S. Code of Federal Regulation Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Uniform Guidelines Requirements for Federal Awards (Uniform Guidance)?

C. Identification of Major Programs: N/A

Dollar threshold used to distinguish between Type A and Type B Programs.

Is the auditee a "low-risk" auditee, as defined by the Uniform Guidance?

**Village of Junction City, Louisiana
Schedule of Findings and Responses
For The Year Ended June 30, 2025**

Section II- Financial Statement Findings

2025-001 Segregation of Duties

Criteria: The Village of Junction City, Louisiana has too few personnel involved in the accounting system to have adequate segregation of duties for internal control.

Condition: It was noted that the Village Clerk is responsible for entering all transactions into the accounting system, including preparing deposits, writing checks, creating utility bills, entering utility payments into the system, and reconciling the bank statements.

Cause: The Village has a small staff size that does not allow for proper segregation of duties.

Effect: The Village does not have adequate segregation of duties and is at a greater risk of not preventing or identifying errors and inappropriate actions that may occur.

Recommendation to Prevent Future Occurrences: It is recommended that the Board of Aldermen become involved with oversight of the accounting function.

Management's Response: The Village will take into consideration this and any other recommendations that will improve internal controls.

2025-002 Budget Authority and Control

Criteria: Under Louisiana law, statute 39:1311 requires that the budget must be amended when actual revenues and other sources, within a fund, are less than budgeted revenues and other sources by more than five percent.

Condition It was noted that actual revenues on the general fund were less than total budgeted revenues by more than five percent.

Cause: The Village did not amend its General Fund Budget for the variance in expenses.

Effect: The Village was not in compliance with the state budget laws.

Recommendation to Prevent Future Occurrences: We recommend that the Village monitor its budget on a regular basis so that amendments can be made in a timely manner in order to comply with state budget laws.

Management's Response: The Village will monitor its budgets more closely in the future.

**Village of Junction City, Louisiana
Schedule of Findings and Responses
For The Year Ended June 30, 2025**

2025-003 Late Submission of Financial Statements

Criteria: LA Revised Statute 33:463 requires the Village to produce and transmit an annual financial statement to the Louisiana Legislative Auditor with six months of the close of the fiscal year.

Condition: It was noted that the Village submitted its annual financial statements after the December 31, 2025 due date.

Cause: The Village has a small staff size and did not have its information ready in enough time to meet the deadline.

Effect: The Village is not in compliance with the state law.

Recommendation to Prevent Future Occurrences: It is recommended that the Village produce and submit its financial statements before the statutory deadline.

Management's Response: The Village has taken steps to ensure that it will produce and submit its annual financial statements in a timely manner in the future.

Section III-Federal Award Findings and Question Costs

This section is not applicable for this entity.

**Village of Junction City, Louisiana
Schedule of Prior Year Findings
For the Year Ended June 30, 2025**

Internal Control and Compliance Material to the Financial Statements

2024-01 Segregation of Duties

Criteria: The Village of Junction City, Louisiana has too few personnel involved in the accounting system to have adequate segregation of duties for internal control.

Condition: It was noted that the Village Clerk is responsible for entering all transactions into the accounting system, including preparing deposits, writing checks, creating utility bills, entering utility payments into the system, and reconciling the bank statements.

Recommendation to Prevent Future Occurrences: It is recommended that the Board of Aldermen become involved with oversight of the accounting function.

Management's Response: The Village will take into consideration this and any other recommendations that will improve internal controls.

Status:
Not Cleared. See 2025-001.

2024-02 Budget Authority and Control

Criteria: Under Louisiana law, statute 39:1311 requires that the budget must be amended when actual revenues and other sources, within a fund, are less than budgeted revenues and other sources by more than five percent.

Condition It was noted that actual revenues on the general fund were less than total budgeted revenues by more than five percent.

Recommendation to Prevent Future Occurrences: We recommend that the Village monitor its budget on a regular basis so that amendments can be made in a timely manner in order to comply with state budget laws.

Management's Response: The Village will monitor its budgets more closely in the future.

Status:
No longer applicable

**Village of Junction City, Louisiana
Schedule of Prior Year Findings
For the Year Ended June 30, 2025**

2024-03 Late Submission of Financial Statements

Criteria: LA Revised Statute 33:463 requires the Village to produce and transmit an annual financial statement to the Louisiana Legislative Auditor with six months of the close of the fiscal year.

Condition: It was noted that the Village submitted its annual financial statements after the December 31, 2024, due date.

Recommendation to Prevent Future Occurrences: It is recommended that the Village produce and submit its financial statements before the statutory deadline.

Management's Response: The Village has taken steps to ensure that it will produce and submit its annual financial statements in a timely manner in the future.

Status:
No longer applicable.

Management Letter

No management letter was issued.

**Village of Junction City, Louisiana
Management's Corrective Action Plan
For The Year Ended June 30, 2025**

Section II- Financial Statement Findings

2025-001 Segregation of Duties

Criteria: The Village of Junction City, Louisiana has too few personnel involved in the accounting system to have adequate segregation of duties for internal control.

Condition: It was noted that the Village Clerk is responsible for entering all transactions into the accounting system, including preparing deposits, writing checks, creating utility bills, entering utility payments into the system, and reconciling the bank statements.

Recommendation to Prevent Future Occurrences: It is recommended that the Board of Aldermen become involved with oversight of the accounting function.

Management's Response: The Village will take into consideration this and any other recommendations that will improve internal controls.

2025-002 Budget Authority and Control

Criteria: Under Louisiana law, statute 39:1311 requires that the budget must be amended when actual revenues and other sources, within a fund, are less than budgeted revenues and other sources by more than five percent.

Condition It was noted that actual revenues on the general fund were less than total budgeted revenues by more than five percent.

Recommendation to Prevent Future Occurrences: We recommend that the Village monitor its budget on a regular basis so that amendments can be made in a timely manner in order to comply with state budget laws.

Management's Response: The Village will monitor its budgets more closely in the future.

**Village of Junction City, Louisiana
Management's Corrective Action Plan
For The Year Ended June 30, 2025**

2025-003 Late Submission of Financial Statements

Criteria: LA Revised Statute 33:463 requires the Village to produce and transmit an annual financial statement to the Louisiana Legislative Auditor with six months of the close of the fiscal year.

Condition: It was noted that the Village submitted its annual financial statements after the December 31, 2025, due date.

Recommendation to Prevent Future Occurrences: It is recommended that the Village produce and submit its financial statements before the statutory deadline.

Management's Response: The Village has taken steps to ensure that it will produce and submit its annual financial statements in a timely manner in the future.

**Village of Junction City, Louisiana
Schedule of Compensation, Reimbursements,
Benefits, and Other Payments to Agency Head
For The Year Ended June 30, 2025**

Agency Head:	Former Charles Hogue	Current Toby Wilson
Mayor		
Purpose:		
Salary	\$ 5,400	\$ 1,800
Benefits - Payroll Taxes	450	150
Alderman Salary (While Alderman)	-	900
Reimbursements	-	25
Total Compensation, Benefits and Other Payments	\$ 5,850	\$ 2,875

See independent auditors' report.

**VILLAGE OF JUNCTION CITY
JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION FOR
THE YEAR ENDED JUNE 30, 2025**

Cash Basis Presentation	First Six Month Period Ended 12/31/2024	Second Six Month Period Ended 6/30/2025
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ -	\$ -
Add: Collections		
Criminal Fines - Other	12,029	13,370
Subtotal Collections	<u>12,029</u>	<u>13,370</u>
Less: Disbursements to Governments & Nonprofits		
Crime Stoppers of Union Parish, Criminal Fines - Other	62	122
LA Commission on Law Enforcement, Criminal Fines - Other	61	100
LDH-THSCI Trust Fund, Criminal Fines - Other	155	305
Treasurer, State of LA-CMIS, Criminal Fines - Other	31	92
North Louisiana Criminalistic Lab	930	1,830
Louisiana Supreme Court, Criminal Fines - Other	15	31
Less: Amounts Retained by Collecting Agency		
Criminal Fines - Other - Self Disbursed	10,775	10,890
Subtotal Disbursements/Retainage	<u>12,029</u>	<u>13,370</u>
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See independent auditors' report.

VILLAGE OF JUNCTION CITY, LOUISIANA

*Independent Accountants' Report on
Applying Agreed-Upon Procedures*

For the Year Ended June 30, 2025



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Village of Junction City and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2024, through June 30, 2025. The Village of Junction City's (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 July 1, 2024, through June 30, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:¹
 - i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - ii. **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.
 - iii. **Disbursements**, including processing, reviewing, and approving.
 - iv. **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

¹ For governmental organizations, the practitioner may eliminate those categories and subcategories not applicable to the organization's operations. For quasi-public organizations, including nonprofits, the practitioner may eliminate those categories and subcategories not applicable to public funds administered by the quasi-public.

- procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- v. ***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 rates of pay or approval and maintenance of pay rate schedules.
 - vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - viii. ***Credit Cards (and debit cards, fuel cards, purchase 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).
 - ix. ***Ethics***², 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.
 - x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
 - xi. ***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.
 - xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Findings: The Village does not have any written policies and procedures.

2) Board or Finance Committee³

- A. 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

² The Louisiana Code of Governmental Ethics (Ethics Code) is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If the Ethics Code is applicable to a nonprofit, the nonprofit should have written policies and procedures relating to ethics.

³ These procedures are not applicable to entities managed by a single elected official, such as a sheriff or assessor.

- i. 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.
- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds⁴, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds⁵ if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
- iii. 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.
- iv. Observe whether the board/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.⁶

Findings: One exception noted where the Village did not reference or include, in the minutes, budget-to-actual comparisons on the required funds on a monthly or quarterly basis.

3) Bank Reconciliations

- A. 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 accounts⁷ (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:
 - i. 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);
 - ii. Bank reconciliations include written evidence that a member of management or a 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
 - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

⁴Proprietary fund types are defined under GASB standards and include enterprise and internal service funds. The related procedure addresses these funds as a way to verify that boards are provided with financial information necessary to make informed decisions about entity operations, including proprietary operations that are not required to be budgeted under the Local Government Budget Act.

⁵ R.S. 24:513 (A)(1)(b)(iv) defines public funds.

⁶ No exception is necessary if management's opinion is that the cost of taking corrective action for findings related to improper segregation of duties or inadequate design of controls over the preparation of the financial statements being audited exceeds the benefits of correcting those findings.

⁷ Accounts selected may exclude savings and investment accounts that are not part of the entity's daily business operations.

Findings: Three exceptions noted where there was no evidence that a member of management or board member had reviewed the bank reconciliation. Two exceptions noted where there was no documentation reflecting management had researched reconciling items that had been outstanding for more than twelve months from the closing date of the statement. We noted that two bank accounts did not have a bank reconciliation prepared.

4) Collections (excluding electronic funds transfers)⁸

- A. Obtain a listing of deposit sites⁹ 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).
- B. For each deposit site selected, obtain a listing of collection locations¹⁰ and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then 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
 - i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also 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; and
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. 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 in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

⁸ The Collections category is not required to be performed if the entity has a third-party contractor performing all collection functions (e.g., receiving collections, preparing deposits, and making deposits).

⁹ A deposit site is a physical location where a deposit is prepared and reconciled.

¹⁰ A collection location is a physical location where cash is collected. An entity may have one or more collection locations whose collections are brought to a deposit site for deposit. For example, in a school district a collection location may be a classroom and a deposit site may be the school office. For school boards only, the practitioner should consider the deposit site and collection location to be the same if there is a central person (secretary or bookkeeper) through which collections are deposited.

- i. Observe that receipts are sequentially pre-numbered.¹¹
- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- iii. Trace the deposit slip total to the actual deposit per the bank statement.
- iv. Observe that the deposit was made within one business day of receipt¹² 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).
- v. Trace the actual deposit per the bank statement to the general ledger.

Findings: One exception noted where the employee collecting cash is also responsible for making bank deposits. One exception noted where the employee collecting cash is also responsible for posting collection entries to the general ledger. One exception noted where the employee reconciling cash collections to the general ledger is also responsible for collecting cash. Five exceptions noted where a deposit was not supported by a receipt, therefore, we were unable to determine whether the receipt was sequentially pre-numbered, traced to a deposit slip, or made within one business day of receipt at the collection location.

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

- A. 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).
- B. For each location selected under procedure #5A 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, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - iii. 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;
 - iv. 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; and
 - v. 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.

¹¹ The practitioner is not required to test for completeness of revenues relative to classroom collections by teachers.

¹² As required by Louisiana Revised Statute 39:1212.

[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

- C. For each location selected under procedure #5A 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
 - i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, 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. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Findings: One exception noted where the employee responsible for processing payments is able to add or modify vendor files. One exception noted where the employee responsible for processing payments also mails the payment. Three exceptions noted where the disbursement was not supported by an original itemized invoice.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards¹³. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
 - i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

¹³ Including cards used by school staff for either school operations or student activity fund operations.

- ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #7B 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 (e.g., each card should have 10 transactions subject to inspection)¹⁴. 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 observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.
- D. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees’ authorization has been removed.

Findings: No exceptions noted.

7) Travel and Travel-Related Expense Reimbursements¹⁵ (excluding card transactions)

- A. 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 and 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
- i. 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);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - iii. 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 Policies and Procedures procedure #1A(vii); and
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Findings: No exceptions noted.

¹⁴ For example, if 3 of the 5 cards selected were fuel cards, transactions would only be selected for each of the 2 credit cards. Conceivably, if all 5 cards randomly selected under procedure #7B were fuel cards, procedure #7C would not be applicable.

¹⁵ Non-travel reimbursements are not required to be inspected under this category.

8) Contracts

- A. 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. *Alternatively, 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
- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law¹⁶ (e.g., solicited quotes or bids, advertised), if required by law;
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
 - iii. 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); and
 - iv. 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.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials¹⁷ 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.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
- i. Observe that all selected employees or officials¹⁸ documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

¹⁶ If the entity has adopted the state Procurement Code, replace "Louisiana Public Bid Law" with "Louisiana Procurement Code."

¹⁷ "Officials" would include those elected, as well as board members who are appointed.

¹⁸ 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.

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. 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 and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. 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: Five exceptions noted where there was no evidence of an authorized rate of pay for an employee. Four exceptions noted where an employee did not have documented daily attendance. Five exceptions noted where supervisors did not approve the attendance of the selected employee.

10) Ethics¹⁹

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
 - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Findings: One exception noted where an employee did not have documentation of ethics training.

11) Debt Service²⁰

- A. 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.

¹⁹ The Louisiana Code of Governmental Ethics (Ethics Code) is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If the Ethics Code is applicable to a nonprofit, the procedures should be performed.

²⁰ This AUP category is generally not applicable to nonprofit entities. However, if applicable, the procedures should be performed.

- B. 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.

12) Fraud Notice²¹

- A. 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.
- B. 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.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**
 - i. 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.
 - ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - iii. 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.

²¹ Observation may be limited to those premises that are visited during the performance of other procedures under the AUPs and the notice is available for download at www.la.gov/hotline

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.
- C. 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. 42:1267²². The requirements are as follows:
 - i. Hired before June 9, 2020 - completed the training; and
 - ii. 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.

14) Prevention of Sexual Harassment²³

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, 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.
- B. 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).
- C. 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 the report includes the applicable requirements of R.S. 42:344:
 - i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

²² While it appears to be a good practice for charter schools to ensure its employees are trained to keep their information technology assets safe from cyberattack, charter schools do not appear required to comply with 42:1267. An individual charter school, though, through specific provisions of its charter, may mandate that all employees/officials receive cybersecurity training.

²³ While it appears to be a good practice for charter schools to ensure it has policies and training for sexual harassment, charter schools do not appear required to comply with the Prevention of Sexual Harassment Law (R.S. 42:341 et seq). An individual charter school, through the specific provisions of its charter, may mandate sexual harassment training.

Findings: One exception noted where an employee did not have documentation of sexual harassment training.

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.

Cameron Hines & Company (APAC)

West Monroe, Louisiana
August 27, 2026