

Village of Varnado, Louisiana

Annual Financial Statements

As of and for the Year Ended December 31, 2024
With Supplemental Information Schedules

**Village of Varnado
Annual Financial Statements
As of and for the Year Ended December 31, 2024**

TABLE OF CONTENTS

	Page
Independent Accountant's Review Report	1
Basic Financial Statements	
<u>Government-Wide Financial Statements</u>	
Statement of Net Position	3
Statement of Activities	4
<u>Fund Financial Statements</u>	
Balance Sheet – Governmental Fund	5
All Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances	6
Notes to the Financial Statements	7
Required Supplementary Information	
All Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual	20
Supplemental Information	
Schedule of Compensation Paid to Board Members	21
Schedule of Compensation, Benefits, and Other Payments to Agency Head	22
Schedule of Justice System Funding-Collecting/Disbursing Entity	23
Schedule of Current Year Findings and Responses	24
Schedule of Prior Year Findings and Responses	26
Other Reports	
Independent Accountant's Review Report on Applying Agreed-Upon Procedures for Compliance with Laws and Regulations	27
Louisiana Attestation Questionnaire	30

ROBERT A. NEILSON
CERTIFIED PUBLIC ACCOUNTANT, L.L.C.

ROBERT A. NEILSON
MEMBER
AMERICAN INSTITUTE OF CPA'S
SOCIETY OF LOUISIANA CPA'S

P.O. BOX 98
209 HOPPEN PLACE
BOGALUSA, LOUISIANA 70429-0098
(888) 732-1811
FAX (888) 732-1812
rancpa@rcisnetworks.com

COVINGTON OFFICE
800 N. HIGHWAY 190
SUITE 208
COVINGTON, LOUISIANA
(MAILING ADDRESS: P. O. BOX 98)
BOGALUSA, LOUISIANA 70429-0098
(888) 882-7840

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Mayor and Board of Aldermen
Village of Varnado
Varnado, Louisiana

I have reviewed the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Varnado, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

I am required to be independent of Village of Varnado and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my review.

Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedule as listed in the table of contents be presented to supplement the basic financial statements.

Such information, although not a required 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. This information is the responsibility of management. I have reviewed the information and, based on my review, I am not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. I have not audited the information and, accordingly, do not express an opinion on such information.

Management has omitted Management's Discussion and Analysis that the Governmental Accounting Standards Board requires to be presented to supplement the basic financial statements. Such missing information, although not a required 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.

Other Supplementary Information

The supplementary information contained in the Other Supplemental Information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. I have received such supplementary information, and, based on my review, I am not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. I have not audited the information and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on it.



Robert A. Neilson, CPA, LLC
Bogalusa, Louisiana
September 30, 2025

Financial Statements

Village of Varnado, Louisiana
Statement of Net Position
As of December 31, 2024

	<u>Governmental Activities</u>
ASSETS:	
Cash and Cash Equivalents	\$ 448,847
Investments	60,000
Receivables:	
Tax	7,091
Intergovernmental	12,700
Video Bingo	6,826
Prepaid Insurance	6,609
Capital Assets, Net of Depreciation	206,852
Land	21,570
Utility Deposits	475
Total Assets	<u><u>770,970</u></u>
LIABILITIES:	
Accounts Payable	1,931
Payroll Taxes Payable	1,930
Total Liabilities	<u><u>3,861</u></u>
NET ASSETS:	
Invested in Capital Assets, Net of Related Debt	228,422
Restricted	248,604
Unrestricted	290,083
Total Net Assets	<u><u>\$ 767,109</u></u>

See accountant's report and accompanying notes to the financial statements

Village of Varnado, Louisiana
Statement of Activities
For the Year Ended December 31, 2024

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expenses) Revenues
GOVERNMENTAL ACTIVITIES:					
General Government	\$ 65,584	\$ 24,345	\$ -	\$ -	\$ (41,239)
Public Safety	63,438	7,072	-	-	(56,366)
Streets & Sanitation	24,554	-	-	-	(24,554)
Total Governmental Activities	<u>153,576</u>	<u>31,417</u>	<u>-</u>	<u>-</u>	<u>(122,159)</u>
General Revenues:					
Property taxes					4,841
Sales taxes					59,744
Intergovernmental revenues					12,700
Interest					310
Video bingo					82,170
Gain/(Loss) on sale of assets					15,000
Total General Revenues					<u>174,765</u>
Change In Net Assets					52,606
Net Position, Beginning of Year (As Previously Reported)					709,003
Prior Period Adjustment					5,500
Net Position, Beginning of Year (As Restated)					<u>714,503</u>
Net Position, End of Year					<u>\$ 767,109</u>

See accountant's review report and accompanying notes to the financial statements

**Village of Varnado, Louisiana
Balance Sheet
All Governmental Fund Types
December 31, 2024**

	Government Fund Types		
	General Fund	Special Revenue Fund	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 247,846	\$ 201,001	\$ 448,847
Investments	25,000	35,000	60,000
Accounts Receivable:			
Taxes	1,806	5,285	7,091
Intergovernmental	12,700	-	12,700
Video Bingo	6,826	-	6,826
Interfund Assets:			
Due from General Fund	-	8,156	8,156
Prepaid Insurance	6,609	-	6,609
Utility Deposits	475	-	475
Total Assets	\$ 301,262	\$ 249,442	\$ 550,704
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts Payable	1,093	838	1,931
Payroll Taxes Payable	1,930	-	1,930
Interfund Liabilities:			
Due to Sales Tax Fund	8,156	-	8,156
Total Liabilities	11,179	838	12,017
Fund Balance:			
Nonspendable	6,609	-	6,609
Restricted Fund Balances	-	248,604	248,604
Unassigned Fund Balances	283,474	-	283,474
Total Fund Balances	290,083	248,604	538,687
Total Liabilities & Fund Balances	\$ 301,262	\$ 249,442	\$ 550,704
RECONCILIATION:			
Total Governmental Funds Balance			\$ 538,687
Capital Assets-Net of Depreciation			206,852
Land			21,570
Net Position of Governmental Activities			\$ 767,109

See accountant's review report and accompanying notes to the financial statements

**Village of Varnado, Louisiana
All Governmental Funds
Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended December 31, 2024**

	General Fund	Special Revenue Fund	Total
Revenues			
Ad Valorem Taxes	\$ 4,841	\$ -	\$ 4,841
Sales Taxes	-	59,744	59,744
Fines	7,072	-	7,072
Landfill Rebate	12,700	-	12,700
Interest Income	310	-	310
Occupational Fees	24,345	-	24,345
American Rescue Plan	-	-	-
Building Permit	-	-	-
Video Bingo	82,170	-	82,170
Insurance Proceeds	-	-	-
Miscellaneous	-	-	-
Total Revenues	<u>131,438</u>	<u>59,744</u>	<u>191,182</u>
Expenditures			
General Government	63,646	-	63,646
Public Safety	52,460	-	52,460
Streets & Sanitation	-	17,870	17,870
Capital Outlay	58,890	-	58,890
Total Expenditures	<u>174,996</u>	<u>17,870</u>	<u>192,866</u>
Revenues Over (Under Expenditures)	(43,558)	41,874	(1,684)
Other Financing Sources (Uses)			
Sale of capital assets	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Net Change in Fund Balances	(28,558)	41,874	13,316
Fund Balance - Beginning of Year (As Previously Reported)	313,141	206,730	519,871
Prior Period Adjustment	<u>5,500</u>	<u>-</u>	<u>5,500</u>
Fund Balance - Beginning of Year (As Restated)	<u>318,641</u>	<u>206,730</u>	<u>525,371</u>
Fund Balance - End of Year	<u>\$ 290,083</u>	<u>\$ 248,604</u>	<u>\$ 538,687</u>
RECONCILIATION:			
Change in Fund Balance-Funds Statement			\$ 13,316
Capital Outlay			58,890
Depreciation Expense-Government-Wide Statement			(19,600)
Change in Net Position			<u>\$ 52,606</u>

See accountant's review report and accompanying notes to the financial statements

Village of Varnado, Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2024

Introduction

The Village of Varnado, Louisiana, was incorporated in 1947, under the provisions of the Lawrason Act. The Village operates under a Mayor-Board of Alderman form of government. The governing body of the Village is elected by the registered voters, residing in the Village. Elected officials include the mayor, three aldermen, and a police chief. These positions are compensated. All funds, of the Village, are administered by the Mayor and Board of Aldermen. Varnado is located approximately 10 miles south of the Mississippi state line. The Village is approximately 1,321 acres in size and services a population of approximately 330. The Village employs one part-time office clerk and two part-time police officers.

1. Summary of Significant Accounting Policies

A. Reporting Entity

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

Governmental Accounting Standards Board (GASB) Statement No. 14 establishes criteria for determining the reporting entity and component units that should be included within the reporting entity. Under provisions of this statement, the Village is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in GASB Statement No. 14, fiscally independent means that the Village may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. There are no other component units which the Village has an oversight relationship.

B. Government-Wide and Fund Financial Statements

The Government-Wide Financial Statements (i.e., The Statement of Net Position and The Statement of Activities) report information on all of the governmental activities of the Village. The effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus

Village of Varnado, Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2024

of governmental and proprietary fund financial statements is on "Major" funds. Funds statements present in separate columns the General Fund, followed by Major Funds, with Non-Major Funds aggregated and displayed in a separate column. Governmental Accounting Standards Board Statement 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise funds combined) for the determination of Major Funds. In addition to the funds that meet the major fund criteria, any other governmental or enterprise fund that the government's officials believe is particularly important to financial statement users may be reported as a Major Fund. All of the Village's funds were determined to be Major Funds and were reported in the governmental funds statement.

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

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to the government-wide view of the Village's operations.

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

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Sales and use tax revenues are recorded in the month collected by the tax collector. All other revenue items are considered to be measurable and available only when cash is received by the government. Salaries and related benefits are recorded when employee services are provided to the Village.

The Village reports the following major governmental funds:

Village of Varnado, Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2024

The *General Fund* is the Village's primary operating fund. It accounts for all financial resources, except those required to be accounted for in other funds.

The *Special Revenue Fund* accounts for the proceeds of sales tax revenue that are legally restricted to expenditures for specified purposes.

As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements.

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

D. Deposits and Investments

The Village's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of 90 days or less. State law and the Village's investment policy allow the Village to invest in collateralized certificates of deposit, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities. Investments for the Village are reported at fair value.

E. Receivables and Payables

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

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

All trade and property tax receivables are shown net of an allowance for uncollectible accounts.

Property taxes become delinquent after December 31, and in June of each year the Village has a tax sale of property on which taxes have not been paid. For the year ended December 31, 2024, taxes of 3.50 mills were levied for general governmental purposes.

F. Inventories and Prepaid Items

Purchase of various operating supplies are considered expenditures at the time purchased and inventories of such supplies (if any) are not recorded as assets at the close of the fiscal year. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Village of Varnado, Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2024

G. Restricted Assets

Certain proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes are classified as restricted assets because their use is limited to specified expenditures.

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., roads, bridges, sidewalks, and similar items,) are reported, in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost, or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The municipality maintains a threshold level of \$500 or more for capitalizing assets.

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

Major outlays for assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

<u>Description</u>	<u>Lives</u>
General Government:	
Buildings	40 years
Streets	15 years
Bridges	30 years
Vehicles	5 years
Machinery & Equipment	7-10 years

I. Compensated Absences

The Village only employs part-time employees and does not have a leave policy.

J. Sales Taxes

Proceeds of the 1% sales and use tax levied by the Village are dedicated to "constructing and improving public roads, streets, bridges and crossings, and the extension and maintenance of sewerage and water works and other works of permanent public improvement".

K. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond

Village of Varnado, Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2024

premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L. Leases

In 2023, the Village adopted GASB 87, *Leases*. The Village acting as lessee, leases certain underlying assets under long-term, non-cancelable lease agreements and records a lease liability and right-to-use lease asset in its financial statements. These lease agreements define the lease term and some provide for options to renew, resulting in various expiration dates across the portfolio. The Village initially calculates the lease liability based on the present value of expected payments during the lease term, reducing it as payments are made. The value of the leased asset is determined similarly, then adjusted for prepayments and initial direct costs, and is amortized over the shorter of the asset's useful life or the lease term. Key estimates and judgments related to leases include the determination of the discount rate used to calculate the present value of future lease payments, lease term, and lease payments. The Village monitors changes that may impact lease liabilities and adjusts asset and liability values accordingly. Assets are reported along-side capital assets, and liabilities with long-term debts. During the fiscal year of December 31, 2024, the Village had no leases that met the conditions of this standard.

M. Net Position and Fund Equity

In the government-wide financial statements, net position is classified in the following categories:

- **Invested in capital assets, net of related debt** – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or indebtedness attributable to acquisition, construction, or improvement of those assets. If there are significant unspent proceeds at year-end, the portion of the debt attributable to unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net asset calculation as unspent proceeds.
- **Restricted** – This component of net position consists of constraints placed on the asset used through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or law or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted** – This component of net position consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

In the fund financial statements, governmental fund equity is classified as fund balance. Governmental funds are classified as follows:

Village of Varnado, Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2024

- **Nonspendable** – These are amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- **Restricted** – These are amounts that can be spent only for specific purpose because of constitutional provisions, enabling legislation, or externally imposed constraints by creditors, grantors, contributors or the laws or regulations of other governments.
- **Committed** – These are amounts that can be used for specific purpose determined by a formal decision by the Board Members, which are the highest level of decision-making authority for the Village.
- **Assigned** – These are amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purpose.
- **Unassigned** – These are all other spendable amounts.

N. Extraordinary and Special Items

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

O. Estimates

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

P. Reconciliations of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position is presented of the basic financial statements. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities is presented in of the basic financial statements.

2. Stewardship, Compliance, and Accountability

The Village uses the following budget practices.

The proposed budget for December 31, 2024, was made available for public inspection at the administrative building. The budget was adopted at regular meeting on December 18, 2023. The proposed budget was prepared on modified accrual basis of accounting.

All expenditure appropriations lapse at end of fiscal year.

**Village of Varnado, Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2024**

Unexpended appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balances.

The budget was amended at the Village's regular meeting on December 12, 2024.

General fund and special revenue fund revenues were within the 5% threshold. Both the general fund revenues and expenditures were within the legal variance of 5%. While the special revenue fund expenditures were within the legal variance of 5%, actual revenues failed to meet budgeted revenues by 20.02%.

3. Cash and Cash Equivalents

The following is a summary of cash and cash equivalents (book balances) at December 31, 2024 in noninterest bearing demand deposit accounts:

Demand Deposits	\$ 448,847
Total Cash Equivalents	<u>\$ 448,847</u>

The cash and cash equivalents are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance, or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Even though the pledged securities may be considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the municipality that the fiscal agent has failed to pay deposited funds upon demand.

Custodial credit risk as it relates to cash deposits is the risk that in the event of a bank failure, the government's deposits may not be returned. The Village does not have a formal policy for custodial risk. At December 31, 2024, the Village had deposits (collected bank balances) of \$450,498. The funds are insured by FDIC coverage and collateralized with letters of credit issued by the bank in the amount of \$170,000. The cash deposits are under secured in the amount of \$30,498. The Village is exposed to custodial credit risk because the amount is not secured enough by letters of credit and such letters of credit are in the name of the fiscal agent bank (GASB Category 3).

4. Investments

At December 31, 2024, the Village had the following investments consisting of certificate of deposits in the following funds:

General Fund	\$ 25,000
Sales Tax Fund	<u>35,000</u>
Total	<u>\$ 60,000</u>

Village of Varnado, Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2024

These deposits are secured from risk by \$250,000 of federal deposit insurance. Interest and investment earnings are recorded only if paid within 60 days since they would be considered both measurable and available.

5. Receivables

Receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts are based on historical trends and the period aging and write-off of accounts receivable. Major receivables balances for the governmental activities include sales taxes, ad valorem taxes and due from government.

The following is a summary of receivables:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Sales Tax Fund</u>	<u>Total</u>
Taxes	\$ 1,806	\$ 5,285	\$ 7,091
Video Bingo	6,826	-	6,828
Intergovernmental	12,700	-	12,700
	<u>\$ 21,332</u>	<u>\$ 5,285</u>	<u>\$ 26,617</u>

6. Inter-fund Receivables and Payables

The following is a detailed list of inter-fund balances reported in the fund financial statements:

	<u>General Fund</u>	<u>Sales Tax Fund</u>	<u>Total</u>
Interfund Receivables	\$ -	\$ 8,156	\$ 8,156
Interfund Payables	\$ 8,156	\$ -	\$ 8,156

8. Accounts and Other Payables

The following is a summary of payables:

	<u>General Fund</u>	<u>Sales Tax Fund</u>	<u>Total</u>
Accounts Payable	\$ 1,093	\$ 838	\$ 1,931
Payroll Taxes	1,930	-	1,930
	<u>\$ 3,023</u>	<u>\$ 838</u>	<u>\$ 3,861</u>

7. Capital Assets

The following is a summary of changes in capital assets for governmental activities for the year ended December 31, 2024:

Village of Varnado, Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2024

Description	Balance 12/31/2023	Increase	Decrease	Balance 12/30/2024
Land	\$ 21,570	\$ -	\$ -	\$ 21,570
Capital Assets				
Streets	578,758	-	-	578,758
Bridges	21,260	-	-	21,260
Buildings	62,563	-	-	62,563
Tractor and Equipment	49,536	-	-	49,536
Police Vehicles and Equipments	93,217	58,890	(25,796)	126,311
Total	805,334	58,890	(25,796)	838,428
Less Accumulated Depreciation				
Streets	(452,305)	(5,024)		(457,329)
Bridges	(12,531)			(12,531)
Buildings	(36,296)	(1,939)		(38,235)
Tractor and Equipment	(44,002)	(1,660)		(45,662)
Police Vehicles and Equipments	(92,638)	(10,977)	25,796	(77,819)
Total	(637,772)	(19,600)	25,796	(631,576)
Capital Assets, Net	\$ 189,132	\$ 39,290	\$ -	\$ 228,422

A police car was sold for \$15,000. There was no net book value on the vehicle. The Village recorded depreciation expense of \$19,600.

8. Pensions

Some of the police department employees of the Village of Varnado are members of the following statewide retirement systems: Municipal Police Employees Retirement System of Louisiana. This system is a cost-sharing, multiple-employer public employee retirement system (PERS), controlled and administered by a separate board of trustees.

The Village implemented Governmental Accounting Standards Board (GASB) Statement 68 on *Accounting and Financial Reporting for Pensions* and Statement 71 on *Pension Transition for Contributions Made Subsequent to the Measurement Date*—an amended of GASB 68. These standards require the Village to record its proportional share of each of the pension plans' net pension liability and report the following disclosures:

Municipal Police Employees Retirement System of Louisiana (System)

Plan Description

The Municipal Police Employees' Retirement System (System) is the administrator of a cost-sharing multiple-employer plan. Membership in the System is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrest, provided he or she does not have to pay social security and providing

**Village of Varnado, Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2024**

he meets the statutory criteria. Membership is also mandatory for all individuals, in a position as defined in the municipal fire and police civil service system, who are employed on a full-time basis by a police department of any municipality of this state, are under the direction of a chief of police, and are paid from the budget of the applicable police department. The projections of benefit payments in the calculation of the total pension liability includes benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Membership Prior to January 1, 2013

A member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years creditable service and is age 55. A member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age with an actuarially reduced benefit.

Benefit rates are three and one-third percent of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from 40% to 60% of the member's average final compensation for the surviving spouse. In addition, each child under age 18 receives benefits equal to 10% of the member's average final compensation or \$200 per month, whichever is greater.

Membership Commencing January 1, 2013

Member eligibility for regular retirement, early retirement, disability and survivor benefits are based on Hazardous Duty and Non-Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non-Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55.

Under the Hazardous and Non-Hazardous Duty sub plans, the benefit rates are 3% and 2½%, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from 25% to 55% of the member's average final compensation for the surviving spouse. In

**Village of Varnado, Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2024**

addition, each child under age 18 receives 10% of average final compensation or \$200 per month whichever is greater. If deceased member had less than 10 years of service, beneficiary will receive a refund of employee contributions only.

Cost of Living Adjustments

The Board of Trustees is authorized to provide annual cost-of-living adjustments computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility.

No regular retiree, survivor or beneficiary shall be eligible to receive a cost-of-living adjustment until benefits have been received at least one full fiscal year and the payment of such COLA, when authorized, shall not be effective until the lapse of at least one-half of the fiscal year. Members who elect early retirement are not eligible for a cost-of-living adjustment until they reach regular retirement age.

Under Act 170 of the 2013 Regular Session of the Legislature, the Board of Trustees may not take action to authorize a COLA during any calendar year prior to the end of the legislative session for that year, during the first six months of any year, or in any calendar year in which the legislature has granted a COLA unless the legislation granting such COLA specifically allows the Board to also take COLA action.

Pursuant to R.S. 11:2225.5, the Board of Trustees may provide a nonrecurring lump sum payment (subject to frequency limitations) or permanent benefit increase only from funds set aside in the System's funding deposit account. The funding deposit account may be credited with up to 0.85% of plan payroll in any year in which the Board of Trustees elects to require that employers contribute an amount in excess of the rate determined under R.S. 11:103 (the minimum net direct actuarially determined employer contribution rate) for the purpose of funding additional benefits for retirees, survivors, and beneficiaries, a contribution to the funding deposit account will be determined within the system's actuarial valuation. The funds in the account shall earn interest annually at the board approved valuation interest rate.

Deferred Retirement Option Plan

A member is eligible to elect to enter the deferred retirement option plan (DROP) when he is eligible for regular retirement based on the members' sub plan participation. At the entry date into the DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DROP is 36 months or less. For those employees eligible to enter DROP after June 30, 2024, participation in the DROP is 60 months or less. If employment is terminated after the DROP period, the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership into the System shall resume and upon later termination, he shall receive additional retirement benefit based on the additional service. For those eligible to enter DROP prior to January 1, 2004, DROP accounts shall earn interest subsequent to the termination of DROP participation at a rate of half of one percentage point below the percentage rate of return of the System's investment portfolio as certified by the actuary on an annual basis but will never lose money.

**Village of Varnado, Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2024**

For those eligible to enter DROP subsequent to January 1, 2004 but before July 1, 2019, an irrevocable election is made to earn interest based on the System's investment portfolio return or a money market investment return. This could result in a negative earnings rate being applied to the account. If the member elects a money market investment return, the funds are transferred to a government money market account and earn interest at the money market rate. If the member elects a money market investment account the funds are transferred to a government money market account. Pursuant to Act 78 of the 2019 Regular Session of the Louisiana Legislature, DRP members can self-direct their DROP funds. For those members who elected to self-direct their DROP funds the System transferred lump sum distributions to the stable value fund of Empower Retirement. Empower Retirement acts as an agent of the System to allow participants to self-direct the investment of their lump sum balances. Participants can irrevocably elect to participate in the self-directed portion of the program. If they do so, they can invest in Vanguard Lifestrategy Funds through Empower Retirement.

Initial Benefit Option Plan:

In 1999, the State Legislature authorized the System to establish an Initial Benefit Option program. Initial Benefit Option is available to members who are eligible for regular retirement and have not participated in DROP. The Initial Benefit Option program provides both a one-time single sum payment of up to 36 months of regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest is computed on the balance based on same criteria as DROP.

Statutes should be read for more detail on eligibility and benefit provisions.

Employer Contributions

Contributions for all members are actuarially determined as required by state law but cannot be less than 9% of the employees' earnable compensation excluding overtime but including state supplemental pay.

For the year ended June 30, 2024, employee and employer contribution rates were as follows:

	<u>Employee</u>	<u>Employer</u>	<u>Total</u>
Members hired prior to 1/1/2013	10.000%	33.925%	43.925%
Hazardous Duty Members hired after 1/1/2013	10.000%	33.925%	43.925%
Non Hazardous Duty Members hired after 1/1/2013	8.000%	33.925%	41.925%
Members whose earnable compensation is less than the poverty guidelines	7.500%	36.425%	43.925%

The Village of Varnado contributions to the System under Plan B for the years ending December 31, 2024 and 2023 were \$1,427 and \$0, respectively, equal to the required contributions for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2024, the Village did not report a liability for its proportionate share of the net pension liability. The net pension liability is measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability is determined by an actuarial valuation as of that date. Since the Village did not participate in the retirement system as of June 30, 2024, a net pension liability was not determined.

Village of Varnado, Louisiana
Notes to the Financial Statements
For the Year Ended December 31, 2024

The System issued a stand-alone audit report on its financial statements for the year ended June 30, 2024. Access to the audit report can be found on the System's website: www.lampers.org or on the Office of Louisiana Legislative Auditor's official website: www.lla.state.la.us.

9. Litigation and Claims

The Village is involved in a potential litigation with the Municipal Police Employees' Retirement System regarding unpaid contributions from January 2009 through September 2024. It is unknown what impact if any the potential litigation would have on the financial position of the Village.

10. Related Party Transactions

There were no related party transactions requiring disclosure in the financial statements.

11. Prior Period Adjustments

During the year ended December 31, 2024, the Village restated its financial statements for the year ending December 31, 2023. The Village restated its financial statements to correct an intergovernmental receivable. The adjustment was to correct the amount of funds due from Washington Parish Government for the landfill rebate. The following is a summary of the adjustment to restate the prior year financial statements:

	12/31/2023 As Previously Reported	Error Correction	12/31/2024 As Restated
Government Wide			
Governmental Activities	\$ 709,003	\$ 5,500	\$ 714,503
Total Primary Government	<u>\$ 709,003</u>	<u>\$ 5,500</u>	<u>\$ 714,503</u>
Governmental Funds			
General Fund	\$ 313,141	\$ 5,500	\$ 318,641
Sales Tax Fund	206,730	-	206,730
Total Governmental Funds	<u>\$ 519,871</u>	<u>\$ 5,500</u>	<u>\$ 525,371</u>

12. Subsequent Events

Subsequent events have been evaluated by management through September 30, 2025, the date the financial statements were available to be issued and these financial statements considered subsequent events through such date. No events were noted that required recording or disclosure in the financial statements for the fiscal year ending December 31, 2024.

Required Supplementary Information

Village of Varnado, Louisiana
All Governmental Fund Types
Statement of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2024

	General Fund				Sales Tax Fund			
	Original Budget	Amended Budget	Actual	Variance	Original Budget	Amended Budget	Actual	Variance
Revenues								
Ad Valorem Taxes	\$ 4,500	\$ 5,000	\$ 4,841	\$ (159)	\$ -	\$ -	\$ -	-
Sale Taxes	-	-	-	-	62,581	73,000	59,744	(13,256)
Fines	9,900	6,900	7,072	172	-	-	-	-
Occupational Licenses	21,100	26,050	24,345	(1,705)	-	-	-	-
Garbage Taxes	8,200	-	12,700	12,700	-	-	-	-
Video Bingo	96,000	81,000	82,170	1,170	-	-	-	-
Interest Income	200	160	310	150	-	1,700	-	(1,700)
Miscellaneous	700	-	-	-	-	-	-	-
Total Revenues	<u>140,600</u>	<u>119,110</u>	<u>131,438</u>	<u>12,328</u>	<u>62,581</u>	<u>74,700</u>	<u>59,744</u>	<u>(14,956)</u>
Expenditures								
General Government	79,018	56,335	63,646	(7,311)	-	-	-	-
Public Safety	61,450	54,938	52,460	2,478	-	-	-	-
Streets & Sanitation	-	-	-	-	14,719	18,690	17,870	820
Capital Outlay	60,000	55,850	58,890	(3,040)	-	-	-	-
Total Expenditures	<u>200,468</u>	<u>167,123</u>	<u>174,996</u>	<u>(7,873)</u>	<u>14,719</u>	<u>18,690</u>	<u>17,870</u>	<u>820</u>
Revenues over (under) expenditures	(59,868)	(48,013)	(43,558)	4,455	47,862	56,010	41,874	(14,136)
Sale of capital assets	-	15,000	15,000	-	-	-	-	-
Net change in fund balances	<u>(59,868)</u>	<u>(33,013)</u>	<u>(28,558)</u>	<u>4,455</u>	<u>47,862</u>	<u>56,010</u>	<u>41,874</u>	<u>(14,136)</u>
Fund Balance - Beginning of Year	214,327	315,674	318,641	2,967	221,948	206,493	206,493	-
Fund Balance - End of Year	<u>\$ 154,459</u>	<u>\$ 282,661</u>	<u>\$ 290,083</u>	<u>\$ 7,422</u>	<u>\$ 269,810</u>	<u>\$ 262,503</u>	<u>\$ 248,367</u>	<u>\$ (14,136)</u>

See accountant's review report

Supplemental Information

Village of Varnado, Louisiana
Schedule of Compensation Paid to Board Members
For the Year Ended December 31, 2024

<u>BOARD MEMBER</u>	<u>POSITION</u>	<u>COMPENSATION</u>
Paris Sumrall 63318 Fornea Road, Varnado, La 70467	Mayor	\$ 6,550
Kimberly Kennedy 63345 Fornea Road, Varnado, La 70467	Alderman	4,775
James Ezell 63267 Fornea St, Angie, La 70426	Alderman	4,775
Brian Walker 25527 Coleman St, Angie, La 70426	Alderman	4,775
Total		<u>\$ 20,875</u>

See accountant's review report

Village of Varnado, Louisiana
Schedule of Compensation, Benefits, and Other Payments to Agency Head
Year Ended December 31, 2024

Agency Head: Paris Sumrall, Mayor

Purpose	Amount
Salary	\$ 6,550
Mileage	187
Total	<u>\$ 6,737</u>

See accountant's review report

Village of Varnado, Louisiana
Justice System Funding Schedule - Collecting/Disbursing Entity
As Required by Act 87 of the 2020 Regular Legislative Session

	First Six Month Period Ended 06/30/24	Second Six Month Period Ended 12/31/24
Cash Basis Presentation		
Beginning Balance of Amounts Collected (i.e. cash on hand)	\$ (0)	\$ (0)
Add: Collections		
Criminal Fines - Other	4,000	3,072
Subtotal Collections	4,000	3,072
Less: Disbursements To Governments & Nonprofits:		
Louisiana Commission on Law Enforcement	39	27
Louisiana Judicial College	10	7
Louisiana Dept of health-Trauma Head & Spinal Court Injury Trust	100	70
Less: Amounts Retained by Collecting Agency		
Village of Varnado-Criminal Fines-Other	3,851	2,968
Subtotal Disbursements/Retainage	4,000	3,072
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	\$ (0)	\$ (0)

See accountant's review report

Village of Varnado, Louisiana
Schedule of Current Year Findings and Responses
December 31, 2024

Section I - Compliance and Other Matters

<u>2024-1</u>	<u>Budget Amendments</u>
Criteria	Louisiana Revised Statute R.S.39:1311 requires the amendment of a budget when revenues and expenditures vary unfavorably by 5% or greater.
Condition	The Village did not appropriately amend the budget.
Cause	The Village amended the budget at fiscal year end with inaccurate projections for the year.
Effect	Although the Village did amend the budget once during the fiscal year, the revenues of the Special Revenue Sales Tax Fund varied unfavorably by more than 5% at the end of the fiscal year end.
Recommendation	The Village should create a review process regarding the budget amendments.
Management's Response and Corrective Action Plan	The Village will review all budget amendments more thoroughly to ensure accurate amendments are made to revenues and expenses.
<u>2024-2</u>	<u>Contributions to MPERS</u>
Criteria	Louisiana Revised Statute R.S. 11:2213(12) requires that any municipality "which employs a full-time police officer, empowered to make arrests, or which has an elected chief of police whose salary is at least one thousand dollars per month" to participate in the Municipal Police Employees' Retirement System (MPERS).
Condition	The Village did not appropriately enroll its elected police chief into MPERS.
Cause	This condition appears to be an oversight by management.
Effect	The chief of police's retirement and MPERS were both underfunded.
Recommendation	The Village should create policies and procedures to ensure police officers are properly enrolled into MPERS.
Management's Response and Corrective Action Plan	The Village enrolled the chief of police into MPERS in October 2024.

See accountant's review report

Village of Varnado, Louisiana
Schedule of Current Year Findings and Responses
December 31, 2024

2024-2

Audit Law

Criteria	Louisiana Revised Statute 24:513 requires political subdivisions of the State submit completed compilation, review, or audit reports to the Legislative Auditor no later than six months after the fiscal year. Accordingly, the submission date was June 30, 2025. In accordance with the provisions for non-emergency extensions promulgated by Louisiana Revised Statute 39:721, the Village requested a 90 day extension to complete and submit the review to the Legislative Auditor. The extended due date is September 30, 2025.
Condition	The review was submitted after the statutory deadline, but before the requested extended deadline.
Cause	The Village does not require a review every year and did not realize one was needed for 2024 until June 2025.
Effect	There has been no impact to intergovernmental funding resulting from the delayed completion.
Recommendation	The Village should take steps to ensure the review is not delayed.
Management's Response and Corrective Action Plan	The Village will take steps to ensure the review is not delayed in future years.

See accountant's review report

**Village of Varnado, Louisiana
Schedule of Prior Year Findings and Responses
December 31, 2024**

None

See accountant's review report

Other Reports

ROBERT A. NEILSON

CERTIFIED PUBLIC ACCOUNTANT, L.L.C.

ROBERT A. NEILSON
MEMBER
AMERICAN INSTITUTE OF CPAs
SOCIETY OF LOUISIANA CPAs

P.O. BOX 98
209 HOPPEN PLACE
BOGALUSA, LOUISIANA 70429-0098
(985) 732-1811
FAX (985) 732-1812

ranca@acisnetworks.com

COVINGTON OFFICE
600 N. HIGHWAY 190
SUITE 206
COVINGTON, LOUISIANA
(MAILING ADDRESS: P. O. BOX 98
BOGALUSA, LOUISIANA 70429-0098)
(985) 892-7940

Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Mayor and Board of Aldermen, Village of Varnado and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below on the Village's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2024, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Village's management is responsible for its financial records and compliance with applicable laws and regulations.

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 Village's compliance with the laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended December 31, 2024. Additionally, the Louisiana Legislative Auditor 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:

Public Bid Law

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$60,000, and public works exceeding \$250,000. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1755 (the state procurement code); R.S. 38:2211-2296 (the public bid law), or the regulations of the Division of Administration and the State Purchasing Office, whichever is applicable; and report whether the expenditures were made in accordance with these laws.

- *There was one purchase for which the public bid law applied. This purchase was made under state contract. No exception noted.*

Code of Ethics for Public Officials and Public Employees

2. Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the ethics law).

- *The Village provided the requested information.*

3. Obtain a list of all employees paid during the fiscal year.

- *The Village provided the requested information.*

4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

- *None of the employees included on the list provided for agreed-upon Procedure 3 appeared on the list provided for agreed-upon Procedure 2.*

5. Obtain a list of all disbursements made during the year; and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.

- *The Village provided the requested information. None of the businesses of board members, employees, and board members' and employees' immediate families appeared as vendors on the list of disbursements.*

Budgeting

6. Obtain a copy of the legally adopted budget and all amendments.

- *The Village provided a copy of the original and amended budget for fiscal year ending December 31, 2024.*

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

- *I traced adoption of the original budget to documentation in the minutes of the meeting of the Village aldermen held December 18, 2023. I traced the adoption of the amended budget to the documents in the minutes of the meeting of the Village aldermen held December 12, 2024.*

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more

- *I compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues in the Special Revenue Sales Tax Fund failed to meet budgeted revenues by 20.02%.*

Accounting and Reporting

9. Obtain the list of all disbursements made during the fiscal year. Randomly select six disbursements, and obtain documentation from management for these disbursements. Compare the selected disbursements to the supporting documentation, and:

(a) Report whether the six disbursements agree to the amount and the payee in the supporting documentation.

- *Each of the six selected disbursements agreed with the amount and payee in the supporting documentation.*

(b) Report whether the six disbursements were coded to the correct fund and general ledger account.

- *Each of the six disbursements were properly coded to the correct fund and general ledger account.*

(c) Report whether the six disbursements were approved in accordance with management's policies and procedures.

- *Each of the six disbursements were approved in accordance with management's policies and procedures.*

Meetings

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 (the open meetings law); and report whether there are any exceptions.

- *The Village asserted that the notices and agendas of each meeting were properly posted.*

Debt

11. Obtain bank deposit slips for the fiscal year, and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

- *I scanned copies of all bank deposit slips for the fiscal year and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.*

Advances and Bonuses

12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

- *I scanned payroll disbursements and read the meeting minutes of the Village's board of aldermen for the fiscal year. I found no payments or approval for payments to employees that would constitute bonuses, advances, or gifts.*

State Audit Law

13. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

- *The Village has provided timely reports in accordance with R.S. 24:513.*

14. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

- *The Village was in compliance with the state audit law; therefore, it did not enter into any contracts as referenced above.*

Prior-Year Comments

15. Obtain and report management's representation as to whether any prior-year suggestions, exceptions, recommendations, and/or comments have been resolved.

- *The review report for the period ending December 31, 2022 dated June 30, 2023 did not include any suggestions, exceptions, recommendations, and/or comments. No review was required for the period ending December 31, 2023.*

I was engaged by the Village to perform this agreed-upon procedures engagement and conducted my engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. I was 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 the Village's compliance with the foregoing matters. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

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

This report is intended solely to describe the scope of testing performed on the Village's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, 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 Louisiana Legislative Auditor as a public document.



Robert A. Neilson, CPA
Bogalusa, Louisiana
September 30, 2025

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

Dear Chief Executive Officer:

Attached is the Louisiana Attestation Questionnaire that is to be completed by you or your staff. This questionnaire is a required part of the review/attestation engagement of Louisiana governmental agencies. The completed and signed questionnaire must be presented to and adopted by the governing body, if any, of your organization by means of a formal resolution in an open meeting. Independently elected government officials should sign the document, in lieu of such a resolution.

The completed and signed attestation questionnaire and a copy of the adoption instrument, if appropriate, **must be given to the independent certified public accountant at the beginning of the engagement.** The CPA will, during the course of his/her engagement, perform certain agreed-upon procedures to the responses in the questionnaire. It is not necessary to return the questionnaire to the Legislative Auditor's office.

Certain portions of the questionnaire may not be applicable to your organization. In such cases, it is appropriate to mark the representation "not applicable." However, you must respond to each applicable representation. A 'yes' answer indicates that you have complied with the applicable law or regulation. A 'no' answer to any representation indicates a possible violation of law or regulation and, as such, should be fully explained. These matters will be reviewed by the CPA during the course of his/her engagement. Please feel free to attach a further explanation of any representation.

Your cooperation in this matter will be greatly appreciated.

Sincerely,

Michael J. Waguespack, CPA
Louisiana Legislative Auditor

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

6/20/2025 (Date Transmitted)

Robert A. Neilson, CPA, LLC (CPA Firm Name)

P.O Box 98 (CPA Firm Address)

Bogalusa, LA 70429 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of December 31, 2024 (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Public Bid Law

It is true that we have complied with the state procurement code (R.S. 39:1551 – 39:1755); the public bid law (R.S. 38:2211-2296), and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes ☒ No ☐ N/A ☐

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes ☒ No ☐ N/A ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes ☐ No ☐ N/A ☐

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes ☒ No ☐ N/A ☐

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes ☒ No ☐ N/A ☐

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes ☒ No ☐ N/A ☐

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes ☒ No ☐ N/A ☐

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes ☐ No ☐ N/A ☐

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes ☒ No ☐ N/A ☐

We have complied with R.S. 24:515.2 regarding reporting of pre- and post- adjudication court costs, fines and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed, and the amounts received from disbursements.

Yes ☒ No ☐ N/A ☐

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes ☒ No ☐ N/A ☐

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes ☒ No ☐ N/A ☐

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes ☒ No ☐ N/A ☐

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes ☒ No ☐ N/A ☐

General

We acknowledge that we are responsible for the Agency's compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes ☒ No ☐ N/A ☐

We acknowledge that we are responsible for determining that the procedures performed are appropriate for the purposes of this engagement.

Yes ☒ No ☐ N/A ☐

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes ☒ No ☐ N/A ☐

We have provided you with all relevant information and access under the terms of our agreement.

Yes ☒ No ☐ N/A ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes ☒ No ☐ N/A ☐

We are not aware of any material misstatements in the information we have provided to you.

Yes ☒ No ☐ N/A ☐

We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others concerning noncompliance with the foregoing laws and regulations, including communications received during the period under examination; and will disclose

to you any such communication received between the end of the period under examination and the date of your report.

Yes ☒ No ☐ N/A ☐

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies all known noncompliance and other events subsequent to the date of this representation and the date of your report that could have a material effect on our compliance with laws and regulations and the internal controls with such laws and regulations, or would require adjustment or modification to the results of the agreed-upon procedures.

Yes ☒ No ☐ N/A ☐

The previous responses have been made to the best of our belief and knowledge.

<u>Mary Adams</u>	Secretary	<u>6/20/25</u>	Date
<u></u>	Treasurer	<u></u>	Date
<u>Ris C. Arnold</u>	President	<u>6/20/25</u>	Date