

VILLAGE OF REEVES, LOUISIANA
ANNUAL FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORTS

Year Ended June 30, 2024

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INDEPENDENT AUDITORS' REPORT

November 15, 2024

The Honorable Chris Guillory, Mayor
and the Board of Councilmen
Village of Reeves, Louisiana

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Village of Reeves, Louisiana, as of and for the year ended June 30, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Village of Reeves, Louisiana, as of June 30, 2024, 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 Audit 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 of Reeves, Louisiana, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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; 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village of Reeves, Louisiana'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 auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule, the schedule of employers' proportionate share of net pension liability, and the schedule of employer contributions 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.

The Village has not presented management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Reeves, Louisiana's basic financial statements. The justice system funding schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the judicial system funding schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedule of compensation, benefits and other payments to agency head or chief executive officer but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Summarized Comparative Information

We have previously audited the Village of Reeves's June 30, 2023 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated December 19, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2024, on our consideration of the Village of Reeves, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Reeves, Louisiana's internal control over financial reporting and compliance.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

VILLAGE OF REEVES, LOUISIANA

Statement of Net Position

June 30, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash	\$ 325,678	\$ 15,309	\$ 340,987
Receivables, net	32,821	9,424	42,245
Prepaid expenses	56	-	56
Capital assets:			
Land	57,641	-	57,641
Construction in progress	98,035	-	98,035
Capital assets, net	1,192,223	300,680	1,492,903
Total assets	1,706,454	325,413	2,031,867
DEFERRED OUTFLOWS OF RESOURCES	115,686	-	115,686
LIABILITIES			
Accounts and other accrued payables	77,189	5,187	82,376
Net pension liability	148,897	-	148,897
Customer meter deposits	-	48	48
Total liabilities	226,086	5,235	231,321
DEFERRED INFLOWS OF RESOURCES	9,770	-	9,770
NET POSITION			
Net investment in capital assets	1,347,899	300,680	1,648,579
Unrestricted	238,385	19,498	257,883
Total net position	\$ 1,586,284	\$ 320,178	\$ 1,906,462

The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF REEVES, LOUISIANA

Statement of Activities

Year Ended June 30, 2024

Activities	Expenses	Program Revenues			Net Revenues (Expenses) and Changes in Net Position		Total
		Fees, Fines and Charges for Services	Capital Grants and Contributions	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental activities:							
General government	\$ 300,992	\$ -	-	\$ 25,185	\$ (275,807)	\$ -	\$ (275,807)
Police	206,145	288,099	-	-	81,954	-	81,954
Total Governmental Activities	507,137	288,099	-	25,185	(193,853)	-	(193,853)
Business-type activities:							
Sewer	49,693	36,774	-	-	-	(12,919)	(12,919)
Total	<u>\$ 556,830</u>	<u>\$ 324,873</u>	<u>\$ -</u>	<u>\$ 25,185</u>	(193,853)	(12,919)	(206,772)
General revenues:							
Taxes -							
Property taxes, levied for general purposes					8,229	-	8,229
Franchise taxes					17,983	-	17,983
Sales					55,585	-	55,585
Licenses					19,002	-	19,002
Interest					2,860	-	2,860
Miscellaneous					101	-	101
Transfers					7,852	(7,852)	-
Total general revenues					<u>111,612</u>	<u>(7,852)</u>	<u>103,760</u>
Change in net position					(82,241)	(20,771)	(103,012)
Net position - Beginning					<u>1,668,525</u>	<u>340,949</u>	<u>2,009,474</u>
Net position - Ending					<u>\$ 1,586,284</u>	<u>\$ 320,178</u>	<u>\$ 1,906,462</u>

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS

FUND DESCRIPTIONS

General Fund

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

VILLAGE OF REEVES, LOUISIANA

Balance Sheet - Governmental Fund

June 30, 2024

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash	\$ 325,678	\$ 337,240
Receivables:		
Franchise taxes	19,828	3,785
Interest	85	85
Intergovernmental	12,908	3,862
Prepaid expenses	<u>56</u>	<u>56</u>
Total Assets	<u>358,555</u>	<u>345,028</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 358,555</u></u>	<u><u>\$ 345,028</u></u>
LIABILITIES		
Accounts payable	\$ 72,366	\$ 10,783
Payroll taxes payable	<u>4,823</u>	<u>3,172</u>
Total Liabilities	<u>77,189</u>	<u>13,955</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
FUND BALANCE		
Assigned	50,000	50,000
Unassigned	<u>231,366</u>	<u>281,073</u>
Total Fund Balance	<u>281,366</u>	<u>331,073</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u><u>\$ 358,555</u></u>	<u><u>\$ 345,028</u></u>

The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF REEVES, LOUISIANA

Reconciliation of Balance Sheet - Governmental Funds to the
Statement of Net Position

June 30, 2024

Total fund balance for governmental fund at June 30, 2024 \$ 281,366

Total net position reported for governmental activities in the statement
of net position is different because:

Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds. Those
assets consist of:

Land	\$ 57,641	
Capital assets, net of \$1,175,050 accumulated depreciation	<u>1,192,223</u>	<u>1,347,899</u>

Deferred outflows and inflows for pension resources and long-term
debt are not financial resources or currently payable:

Deferred inflows related to pensions	(9,770)	
Deferred outflows related to pensions	<u>115,686</u>	<u>105,916</u>

Long-term liabilities are not due and payable in the current
period and, therefore, they are not reported in the governmental
funds balance sheet:

Net pension liability		<u>(148,897)</u>
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Total net position of governmental activities at June 30, 2024 \$ 1,586,284

The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF REEVES, LOUISIANA

Statement of Revenues, Expenditures and Changes
in Fund Balance - Governmental Fund

Year Ended June 30, 2024

	2024	2023
REVENUES		
Property taxes	\$ 8,229	\$ 8,591
Franchise taxes	17,983	16,811
Sales tax	55,585	56,245
Occupational license	19,002	20,371
Interest	2,860	959
Intergovernmental	25,185	51,766
Intergovernmental - FEMA	-	156,876
Fines	288,099	237,012
Miscellaneous	101	268
Total Revenues	417,044	548,899
EXPENDITURES		
General government		
Advertisements	2,681	1,865
Conference/meetings	180	450
Contract labor	10,200	27,599
Dues	1,264	1,417
Fuel	5,082	-
Insurance - health	518	5,068
Insurance - other	42,354	29,527
Miscellaneous	403	527
Office supplies	7,907	6,868
Per diem	28,600	24,600
Professional fees	21,639	21,106
Rent	15,248	20,252
Repairs and maintenance	6,717	18,901
Retirement	5,490	6,148
Salaries	62,467	54,514
Supplies	3,145	3,689
Taxes	7,508	5,288
Telephone	5,061	6,228
Travel	292	2,404
Utilities - city hall	18,720	19,048
Total General Government	245,476	255,499
Police		
Fuel	9,965	15,232
Insurance - other	2,574	8,139
Repairs and maintenance	11,376	11,289
Reports	38,963	30,311
Retirement	1,230	10,449
Salaries	75,516	106,377
Supplies	3,322	5,915
Taxes	5,481	6,002
Travel	167	-
Uniforms/equipment	3,753	-
Total Police	152,347	193,714
Capital outlay	76,780	43,555
Total Expenditures	474,603	492,768

The accompanying notes are an integral part of the basic financial statements.

Continued

VILLAGE OF REEVES, LOUISIANA

Statement of Revenues, Expenditures and Changes
in Fund Balance - Governmental Fund - Continued

Year Ended June 30, 2024

	<u>2024</u>	<u>2023</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (57,559)	\$ 56,131
OTHER FINANCING SOURCES (USES)		
Operating Transfers In (Out)	<u>7,852</u>	<u>(1,675)</u>
Total other financing sources (uses)	7,852	(1,675)
NET CHANGE IN FUND BALANCE	(49,707)	54,456
FUND BALANCE, BEGINNING	<u>331,073</u>	<u>276,617</u>
FUND BALANCE, ENDING	<u>\$ 281,366</u>	<u>\$ 331,073</u>

The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF REEVES, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balance-Governmental Fund to the Statement of Activities

Year Ended June 30, 2024

Total net changes in fund balance at June 30, 2024 per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ (49,707)
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The change in net position reported for governmental activities in the
Statement of Activities is different because:

Governmental funds report capital outlays as expenditures. However,
in the Statement of Activities, the cost of those assets is allocated over
their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 76,780	
Depreciation expense for the year ended June 30, 2024	<u>(62,488)</u>	14,292

Net pension (expense) benefit is reported in the governmental fund as
expenditures as they are paid, however, in the statement of activities
the net position (expense benefit is reported according to estimates
required by GASB 68.

(46,826)

Total change in net position at June 30, 2024 per Statement of Activities	<u><u>\$ (82,241)</u></u>
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The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF REEVES, LOUISIANA
Statement of Net Position - Proprietary Funds

June 30, 2024

	<u>2024</u>	<u>2023</u>
Current assets		
Cash	\$ 15,309	\$ 19,133
Receivables	9,424	2,790
Total current assets	<u>24,733</u>	<u>21,923</u>
Fixed assets, net of accumulated depreciation	<u>300,680</u>	<u>319,620</u>
Total assets	<u>325,413</u>	<u>341,543</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 325,413</u></u>	<u><u>\$ 341,543</u></u>
LIABILITIES		
Current liabilities		
Accounts payable	\$ 5,187	\$ 546
Customer meter deposits	48	48
Total current liabilities	<u>5,235</u>	<u>594</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	300,680	319,620
Unrestricted	19,498	21,329
Total net position	<u>320,178</u>	<u>340,949</u>
TOTAL LIABILITIES, DEFFERED INFLOWS OF RESOURCES AND NET POSITION	<u><u>\$ 325,413</u></u>	<u><u>\$ 341,543</u></u>

The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF REEVES, LOUISIANA

Statement of Revenues, Expenses and Changes in
Net Position - Proprietary Fund

Year Ended June 30 2024

	2024	2023
OPERATING REVENUES		
Sewer service charges	\$ 36,774	\$ 35,096
Other income	-	-
Total Operating Revenues	<u>36,774</u>	<u>35,096</u>
OPERATING EXPENSES		
Depreciation	18,940	18,940
Dues	921	921
Payroll taxes	788	730
Repairs and maintenance	13,062	17,548
Salaries and wages	9,000	8,250
Samples	658	1,927
Utilities	6,324	6,518
Total Operating Expenses	<u>49,693</u>	<u>54,834</u>
INCOME (LOSS) BEFORE NONOPERATING REVENUES (EXPENSES)	(12,919)	(19,738)
NONOPERATING REVENUES (EXPENSES)		
Operating transfers in (out)	<u>(7,852)</u>	<u>1,675</u>
CHANGE IN NET POSITION	(20,771)	(18,063)
NET POSITION, BEGINNING	<u>340,949</u>	<u>359,012</u>
NET POSITION, ENDING	<u>\$ 320,178</u>	<u>\$ 340,949</u>

The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF REEVES, LOUISIANA
Statement of Cash Flows - Proprietary Fund
Year Ended June 30, 2024

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	\$ 30,140	\$ 35,975
Payments to suppliers	(26,112)	(35,778)
Net cash from operating activities	<u>4,028</u>	<u>197</u>
CASH FLOWS FROM NON-CAPTIAL FINANCING ACTIVITIES:		
Operating transfers out	(7,852)	1,675
	<u>(7,852)</u>	<u>1,675</u>
NET INCREASE (DECREASE) IN CASH	(3,824)	1,872
CASH, BEGINNING	<u>19,133</u>	<u>17,261</u>
CASH, ENDING	<u>\$ 15,309</u>	<u>\$ 19,133</u>
Reconciliation of change in net position to cash from operating activities:		
Operating income (loss)	\$ (12,919)	\$ (19,738)
Adjustment to reconcile change in net position to net cash provided (used) by operating activities:		
Depreciation	18,940	18,940
(Increase) decrease in receivables	(6,634)	879
Increase (decrease) in accounts payable	4,641	116
Net cash from operating activities	<u>\$ 4,028</u>	<u>\$ 197</u>

The accompanying notes are an integral part of the basic financial statements.

VILLAGE OF REEVES, LOUISIANA

Notes to Financial Statements

June 30, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant of the government's accounting policies are described below.

1. Reporting Entity

As the governing authority of the Village, for reporting purposes, the Village of Reeves, Louisiana is the financial reporting entity. The financial reporting entity consists of (a) the primary government (Village), (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 primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Village of Reeves, Louisiana for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Village to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Village.
2. Organizations for which the Village does not appoint a voting majority but are fiscally dependent on the Village.
3. Organizations for which the reporting entity financial statements could be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based upon the application of these criteria, there are no component units included in the Village's reporting entity.

2. Basis of Presentation

The accompanying basic financial statements of the Village of Reeves, Louisiana have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, "Basic Financial Statements and Management's Discussion and Analysis-for State and Local Governments", issued in June 1999.

VILLAGE OF REEVES, LOUISIANA

Notes to Financial Statements

June 30, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Village as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for each of the functions of the Village's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the Village, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The Village uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Village functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Village are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major funds, each displayed on a separate column. The emphasis on fund financial statements is on major funds, each displayed on a separate column. A fund is considered major if it is the primary operating fund of the Village or its total assets, liabilities, revenues, or expenditures of the individual governmental and enterprise fund is at least 10 percent of the corresponding total for all governmental and enterprise funds of that category or type; and total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

VILLAGE OF REEVES, LOUISIANA

Notes to Financial Statements

June 30, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

The Village reports the following major funds:

The General Fund is the primary operating fund of the Village. It accounts for all financial resources except those that are required to be accounted for in other funds.

The Enterprise Fund is 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 (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. The Village's enterprise fund accounts for sewer services.

3. Measurement Focus/Basis of Accounting

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.

Measurement Focus

On the government-wide statement of net position and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balances as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

VILLAGE OF REEVES, LOUISIANA

Notes to Financial Statements

June 30, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basis of Accounting

In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting.

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

4. Budgets

A budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund. All annual appropriations lapse at fiscal year end.

On or before the last meeting of each year, the budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The proposed budget is presented to the government's Board of Council for review. The board holds a public hearing and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated. The budget was amended once during the year.

VILLAGE OF REEVES, LOUISIANA

Notes to Financial Statements

June 30, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

5. Cash

The cash and cash equivalents of the District are subject to the following risks.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Village will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the financial agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Village that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Village's name.

Interest Rate Risk: This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity is its fair value to changes in market interest rates. The Village does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, as a means of offsetting exposure to interest rate risk, the Village diversifies its investments by security type and institution.

Credit Risk: Generally, credit risk is the risk that the issuer of a debt type investment will not fulfill its obligation to the holder of the investment. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. The Village's investments comply with Louisiana Statutes (LSA R.S. 33:2955). Under state law, the Village may deposit funds with a fiscal agent organized under the laws of Louisiana, the laws of any other state in the union, or the laws of the United States. The Village may invest in United States bonds, treasury notes and bills, government-backed agency securities, or certificates of time deposits of state banks organized under Louisiana law and national banks organized under Louisiana law and national banks having principal offices in Louisiana.

Cash includes amounts in demand deposits and time deposits with original maturities of 90 days or less. Under state law, the Village may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

VILLAGE OF REEVES, LOUISIANA

Notes to Financial Statements

June 30, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2024, the Village has \$343,835 in deposits (collected bank balances), of which all is secured from risk by federal deposit insurance and pledged securities held by the custodial bank in the name of the fiscal agent bank.

6. Accounts Receivable

Uncollectible amounts due for sewer charges and other receivables are recognized as bad debts at the time information becomes available which would indicate that the particular receivable is not collectable. This method does not result in a charge to bad debt that is materially different from the amount that would be charged if the reserve method were used.

There appears to be concentration of credit risk with regard to general accounts receivable and more specifically accounts receivable for sewer user fees in the Enterprise Fund. The Village's ability to collect the amounts due from the users of the Village's sewer system and others (as reflected on the financial statements) may be affected by significant economic fluctuations, natural disaster or other calamity in this one concentrated geographic location.

7. Statement of Cash Flows

For the purpose of the Statement of Cash Flows, for the enterprise fund, the Village considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

8. Capital Assets

Capital assets, which include property, plant and equipment, 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 is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

VILLAGE OF REEVES, LOUISIANA

Notes to Financial Statements

June 30, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

The costs of normal maintenance and repairs that do not add to the value of the asset of materially extend assets' lives are not capitalized. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	15-40 years
Furniture and Equipment	5-10 years
Infrastructure, Building and Plant	40 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

9. Equity Classification

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of the above mentioned categories.

Proprietary fund equity is classified the same as in the government-wide statements.

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as restricted, committed, assigned or unassigned.

- a. Restricted – Amounts that can be spent only for specific purposes because of state or federal laws or externally imposed conditions by grantors or creditors.

VILLAGE OF REEVES, LOUISIANA

Notes to Financial Statements

June 30, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

- b. Committed – Amounts that can be used only for specific purposes determined by a formal action by Board ordinance or resolution.
- c. Assigned – Includes fund balance amounts that are intended to be used for specific purposes based on internal actions. At June 30, 2024, \$50,000 has been assigned for sewer system improvements.
- d. Unassigned – Includes positive fund balance within the general fund which has not been classified within the above mentioned categories.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, expenditures are to be spent from restricted fund balance first and then unrestricted. Expenditures incurred in the unrestricted fund balance shall be reduced first from the committed fund balance, then from the assigned fund balance and finally, the unassigned fund balance.

10. Sales Tax

Proceeds of a 1.0% sales and use tax (effective January 1, 2010) levied by the Village of Reeves, Louisiana is not dedicated for any special purpose and may be utilized for any lawful purpose.

11. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

12. Revenues, Expenditures, and Expenses

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the Village's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Village's general revenues.

VILLAGE OF REEVES, LOUISIANA

Notes to Financial Statements

June 30, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Revenues

Ad valorem taxes are recorded in the year taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January and February of the fiscal year. Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

Expenditures

The Village primary expenditures include salaries and insurance, which are recorded when the liability is incurred. Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased.

Other Financing Sources

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) when the transfer is authorized by the Village.

13. Subsequent Events

Management has evaluated subsequent events through November 15, 2024, the date the financial statements were available to be issued.

14. Comparative Data

Comparative totals for the prior have been presented in the accompanying financial statements in order to provide an understanding of charges in the Village's financial position and operations.

NOTE B - PROPERTY TAXES

For the year ended June 30, 2024, taxes for general purposes were levied on property as follows:

<u>Millage</u>	<u>Assessed Valuations</u>	<u>Taxes Levied</u>
4.89	\$ 1,869,030	\$ 9,140

Property tax millage rates are adopted in July of the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before November 15th of the current year, and become delinquent after December 31st. Property taxes not paid by February 28th are subject to property lien.

VILLAGE OF REEVES, LOUISIANA

Notes to Financial Statements

June 30, 2024

NOTE C - CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2024 follows:

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>End of Year</u>
Governmental activities:				
Land	\$ 57,641	\$ -	\$ -	\$ 57,641
Construction in progress	43,555	54,480	-	98,035
Buildings	301,605	-	-	301,605
Furniture and Equipment	604,329	22,300	-	626,629
Infrastructure	<u>1,439,039</u>	<u>-</u>	<u>-</u>	<u>1,439,039</u>
Totals at historical cost	2,446,169	76,780	-	2,522,949
Less accumulated depreciation for:				
Buildings	140,830	9,669	-	150,499
Furniture and Equipment	567,070	16,565	-	583,635
Infrastructure	<u>404,662</u>	<u>36,254</u>	<u>-</u>	<u>440,916</u>
Total accumulated depreciation	<u>1,112,562</u>	<u>62,488</u>	<u>-</u>	<u>1,175,050</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 1,333,607</u>	<u>\$ 14,292</u>	<u>\$ -</u>	<u>\$ 1,347,899</u>

Construction in progress of \$98,035 at June 30, 2024 represents costs for new Village Hall/Police Station Project. Total estimated costs are \$975,000. The State of Louisiana will fund 75% of the total cost, up to a maximum of \$800,000.

Business Type Activities:

Land	\$ -	\$ -	\$ -	\$ -
Buildings and plant	731,271	-	-	731,271
Equipment	<u>72,533</u>	<u>-</u>	<u>-</u>	<u>72,533</u>
Totals at historical cost	803,804	-	-	803,804

Less accumulated depreciation for:

Buildings and plant	415,984	14,608	-	430,592
Equipment	<u>68,200</u>	<u>4,332</u>	<u>-</u>	<u>72,532</u>
Total accumulated depreciation	<u>484,184</u>	<u>18,940</u>	<u>-</u>	<u>503,124</u>

Business-type Activities

Capital Assets, Net	<u>\$ 319,620</u>	<u>\$ (18,940)</u>	<u>\$ -</u>	<u>\$ 300,680</u>
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Depreciation expense was charged to governmental activities as follows:

General and administrative	\$ 56,259
Police	<u>6,229</u>
Total	<u>\$ 62,488</u>

VILLAGE OF REEVES, LOUISIANA

Notes to Financial Statements

June 30, 2024

NOTE D – COMPENSATION/PER DIEM

Total compensation/per diem paid for the year ended June 30, 2024 consisted of the following:

Mayor Chris Guillory	\$ 16,000
Councilman Mick Estay	4,200
Councilman Glen Ducharme	4,200
Councilman Scottie Jeffcoats	4,200
	<u>\$ 24,600</u>

NOTE E - RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Village. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE F – SCHEDULE OF INSURANCE COVERAGE

The schedule of insurance coverage as of June 30, 2024 is as follows:

	<u>Limits</u>	<u>Expiration Date</u>
Automobile liability	\$500,000 bodily injury and physical damage	May 4, 2025
Commercial general liability: Premises/Operations	\$500,000 per occurrence-bodily injury and physical damage	May 4, 2025
Products/Completed operation	\$500,000 in the aggregate-bodily injury and physical damage	May 4, 2025
Medical payments	\$1,000 per person \$10,000 per accident	May 4, 2025
Fire legal liability	\$50,000 per occurrence	May 4, 2025
Errors and omissions		May 4, 2025
Commercial property	\$150,000 building \$20,000 contents	December 21, 2024
Worker's Compensation		May 4, 2025

VILLAGE OF REEVES, LOUISIANA

Notes to Financial Statements

June 30, 2024

NOTE G – PENSION PLAN

A. Municipal Employees Retirement System

Substantially all fulltime employees of the Village of Reeves, LA. Are members of the Municipal Employees Retirement System of Louisiana. This system is a cost-sharing, multiple-employer defined benefit pension plan administered by a board of trustees. Pertinent information relative to the plan follows:

Plan Description. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan B.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipality funds and all elected municipal officials are eligible to participate in the System. Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

Funding Policy. Under Plan B, members are required by state statute to contribute 9.50% of their annual covered salary and the Village is required to contribute at an actuarially determined rate. The current rate is 29.5% of annual covered payroll. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Village are established and may be amended by state statute. As provided by R. S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Village's contributions to the System under Plan B for the year ending June 30, 2024 were \$5,580.

At June 30, 2024, the Village reported a liability of \$33,633 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Village's proportion of the net pension liability was based on a projection of the Village's long-term share of contributions to their pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2024, the District's proportion was .0419437%.

VILLAGE OF REEVES, LOUISIANA

Notes to Financial Statements

June 30, 2024

NOTE G – PENSION PLAN - CONTINUED

For the year ended June 30, 2024, the Village recognized pension expense (benefit) of \$9,593 including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$552. At June 30, 2024, the Village reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 12
Difference between expected and actual investment	4,363	-
Difference between expected and actual assumption	483	-
Changes in proportion and differences between:		
Contributions and proportionate share of contributions	17,471	-
Contributions subsequent to the measurement date	5,580	-
Total	\$ 27,897	\$ 12

\$5,580 reported as deferred outflows of resources related to pensions resulting from Village's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other accounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Amount
2025	\$ 11,767
2026	7,369
2027	3,104
2028	66
2029	-
Thereafter	-

Actuarial methods and assumption. The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

VILLAGE OF REEVES, LOUISIANA

Notes to Financial Statements

June 30, 2024

NOTE G – PENSION PLAN - CONTINUED

The components on net pension liability of the System's employers as of June 30, 2023 are as follows:

Total Pension Liability	\$ 299,800,931
Plan Fiduciary Net Pension	<u>219,614,861</u>
Total Net Pension Liability	<u>\$ 80,186,070</u>

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2024 are as follows:

Valuation Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	6.85%
Expected Remaining Service Lives	3 years
Projected Salary Increases:	
1-4 years of services	6.4%
More than 4 years of services	4.5%
Annuitant and beneficiary mortality	PubG-2010(B) Healthy Retiree Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
Employee mortality	PubNS-2010(B) Employee Table set equal to 120% for males and females, each adjusted using their respective male and female MP2018 scales.
Disabled lives mortality	PubNS-2010(B) Disabled Retiree Table set equal to 120% for males and females with the full generational MP2018 scale.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimated ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

VILLAGE OF REEVES, LOUISIANA

Notes to Financial Statements

June 30, 2024

NOTE G – PENSION PLAN - CONTINUED

The target allocation and best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Portfolio Real Rate of Return
Public equity	56%	2.44%
Fixed Income	29%	1.26%
Alternative	15%	0.65%
Totals	100%	4.35%
Inflation		2.50%
Expected Nominal Return		6.85%

The discount rate used to measure the total pension liability was 6.85%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to changes in discount rate. The following presents the net pension liability of the District calculated using the discount rate of 6.85%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.85% or one percentage point higher 7.85% than the current rate.

	Changes in Discount Rate 2024		
	1% Decrease 5.85%	Current Discount Rate 6.85%	1% Increase 7.85%
Net Pension Liability (Asset)	\$ 47,524	\$ 33,633	\$ 21,884

VILLAGE OF REEVES, LOUISIANA

Notes to Financial Statements

June 30, 2024

NOTE G – PENSION PLAN - CONTINUED

B. Municipal Police Employees Retirement System of Louisiana (System)

Plan Description. All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 708092250, or by calling (225) 929-7411.

Funding Policy. Plan members are required by state statute to contribute 10% of their annual covered salary and the Village is required to contribute at an actuarially determined rate. The current rate is 32.25% of annual covered payroll. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Village contributions to the System for the year ending June 30, 2024 were \$1,140.

At June 30, 2024, the Village reported a liability of \$115,264 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Village's proportion of the net pension liability was based on a projection of the Village's long-term share of contributions to their pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2024, the District's proportion was .019100178%.

For the year ended June 30, 2024, the Village recognized pension expense (benefit) of \$37,233 including employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$1,661. At June 30, 2024, the Village reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

VILLAGE OF REEVES, LOUISIANA

Notes to Financial Statements

June 30, 2024

NOTE G – PENSION PLAN - CONTINUED

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 8,119	\$ 48
Difference between expected and actual investment	12,443	-
Difference between expected and actual assumptions	1,923	-
Changes in proportion and differences between:		
Contributions and proportionate share of contributions	64,164	9,710
Contributions subsequent to the measurement date	<u>1,140</u>	<u>-</u>
Total	<u>\$ 87,789</u>	<u>\$ 9,758</u>

\$1,140 reported as deferred outflows of resources related to pensions resulting from Village's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other accounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Amount
2025	\$ 31,424
2026	27,251
2027	34,369
2028	1,325
2029	-
Thereafter	-

Actuarial methods and assumption. The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

The components on net pension liability of the System's employers as of June 30, 2024 are as follows:

Total Pension Liability	\$ 3,681,557,278
Plan Fiduciary Net Pension	<u>2,625,060,377</u>
Total Net Pension Liability	<u>\$ 1,056,496,901</u>

VILLAGE OF REEVES, LOUISIANA

Notes to Financial Statements

June 30, 2024

NOTE G – PENSION PLAN - CONTINUED

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2024 are as follows:

Valuation Date	June 30, 2023	
Actuarial Cost Method	Entry Age Normal	
Investment Rate of Return	6.750% (Net of investment expense)	
Expected Remaining Service Lives	4 years	
Inflation Rate	2.50%	
Salary increases, Including inflation and merit	Years of Service	Salary Growth Rate
	1-2	12.30%
	Above 2	4.70%
Mortality	<p>For annuitants and beneficiaries, the Pub-2010 Public Retirement Plan Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.</p> <p>For disables lives, the Pub-2021 Public Retirement Plans Mortality Table for Safety Disable Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP2019 scale was used.</p> <p>For employees, the Pub-2019 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale was used.</p>	
Cost-of-Living Adjustments	<p>The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost-of-living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.</p>	

VILLAGE OF REEVES, LOUISIANA

Notes to Financial Statements

June 30, 2024

NOTE G – PENSION PLAN - CONTINUED

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period July 1, 2014 through June 30, 2019 and review of similar law enforcement mortality. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a set-back of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

The best estimates of the arithmetic nominal rates of return for each major asset class included in the System's target allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long- Term Expected Portfolio Real Rate of Return
Equity	52.50%	3.29%
Fixed Income	34.00%	1.12%
Alternative	14.00%	0.95%
Other	0.00%	0.00%
Totals	100.00%	5.36%
Inflation		2.54%
Expected Nominal Return		<u>7.90%</u>

The discount rate used to measure the total pension liability was 6.750%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

VILLAGE OF REEVES, LOUISIANA

Notes to Financial Statements

June 30, 2024

NOTE G – PENSION PLAN - CONTINUED

Sensitivity to changes in discount rate. The following presents the net pension liability of the District calculated using the discount rate of 6.75%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower 5.75% or one percentage point higher 7.75% than the current rate.

	Changes in Discount Rate 2024		
	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net Pension Liability (Asset)	\$ 162,186	\$ 115,264	\$ 76,067

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF REEVES, LOUISIANA

Budgetary Comparison Schedule - General Fund

Year Ended June 30, 2024

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Property taxes	\$ 8,591	\$ 8,591	\$ 8,229	\$ (362)
Franchise taxes	17,095	17,095	17,983	888
Sales tax	57,072	47,072	55,585	8,513
Occupational license	26,424	7,424	19,002	11,578
Interest	-	-	2,860	2,860
Intergovernmental	6,570	6,570	25,185	18,615
Intergovernmental - FEMA	-	-	0	-
Fines	324,000	290,000	288,099	(1,901)
Miscellaneous	9,000	9,000	101	(8,899)
Total Revenues	448,752	385,752	417,044	31,292
EXPENDITURES				
General government				
Advertisements	1,365	1,365	2,681	(1,316)
Bank charges	-	-	-	-
Conference/meetings	450	450	180	270
Contract labor	27,599	27,599	10,200	17,399
Dues	807	807	1,264	(457)
Fuel	9,826	9,826	5,082	4,744
Insurance - health	-	-	518	(518)
Insurance - other	37,984	37,984	42,354	(4,370)
Miscellaneous	539	539	403	136
Office supplies	6,346	6,346	7,907	(1,561)
Per diem	22,550	22,550	28,600	(6,050)
Professional fees	22,636	22,636	21,639	997
Rent	17,311	17,311	15,248	2,063
Repairs and maintenance	10,244	10,244	6,717	3,527
Retirement	16,030	16,030	5,490	10,540
Salaries	64,611	64,611	62,467	2,144
Supplies	3,297	3,297	3,145	152
Taxes	13,172	13,172	7,508	5,664
Telephone	6,076	6,076	5,061	1,015
Travel	287	287	292	(5)
Utilities - city hall	17,498	17,498	18,720	(1,222)
Total General Government	278,628	278,628	245,476	33,152
Police				
Contract labor	500	500	-	500
Dues	250	250	-	250
Fuel	10,000	5,000	9,965	(4,965)
Insurance - other	-	-	2,574	(2,574)
Repairs and maintenance	10,500	7,000	11,376	(4,376)
Reports	29,729	29,729	38,963	(9,234)
Retirement	-	-	10,449	(10,449)
Salaries	104,529	57,529	66,297	(8,768)
Supplies	1,000	1,000	3,322	(2,322)
Taxes	100	100	5,481	(5,381)
Travel	500	500	167	333
Uniforms/equipment	3,000	3,000	3,753	(753)
Utilities	1,700	1,700	-	1,700
Total Police	161,808	106,308	152,347	(46,039)
Capital outlay	7,500	500	76,780	(76,280)
Total Expenditures	447,936	385,436	474,603	(89,167)

Continued

VILLAGE OF REEVES, LOUISIANA

Budgetary Comparison Schedule - General Fund - Continued

Year Ended June 30, 2024

	Budget		Actual	Variance
	Original	Final		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 816	\$ 316	\$ (57,559)	\$ (57,875)
OTHER FINANCING SOURCES (USES)				
Insurance proceeds	-	-	-	-
Operating Transfers In (Out)	-	-	7,852	7,852
Total other financing sources (uses)	-	-	7,852	7,852
NET CHANGE IN FUND BALANCE	816	316	(49,707)	(50,023)
FUND BALANCE, BEGINNING	331,073	331,073	331,073	-
FUND BALANCE, ENDING	<u>\$ 331,889</u>	<u>\$ 331,389</u>	<u>\$ 281,366</u>	<u>\$ (50,023)</u>

VILLAGE OF REEVES, LOUISIANA

SCHEDULE OF EMPLOYERS' PROPORTIONATE SHARE OF NET PENSION LIABILITY

Year Ended June 30, 2024

Municipal Employees Retirement System of Louisiana System:

	June 30, 2024	June 30, 2023
Employer's portion of the net pension liability (asset)	0.04194%	0.01550%
Employer's proportionate share of the net pension liability (asset)	\$ 33,633	\$ 13,612
Employer's covered payroll	\$ 36,000	\$ 36,000
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	93.43%	37.81%
Plan fiduciary net position as a percentage of the total pension liability	73.25%	69.56%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

The amounts presented have a measurement date of June 30, 2023.

VILLAGE OF REEVES, LOUISIANA

SCHEDULE OF EMPLOYERS' PROPORTIONATE SHARE OF NET PENSION LIABILITY

Year Ended June 30, 2024

Municipal Police Retirement System:

	<u>June 30, 2024</u>
Employer's portion of the net pension liability (asset)	0.01091%
Employer's proportionate share of the net pension liability (asset)	\$ 115,264
Employer's covered payroll	\$ 75,517
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	152.63%
Plan fiduciary net position as a percentage of the total pension liability	71.30%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

The amounts presented have a measurement date of June 30, 2023.

VILLAGE OF REEVES, LOUISIANA
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30, 2024

<u>Date</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
Municipal Employees Retirement System of Louisiana System:					
2023	\$ 5,580	\$ 5,580	\$ -	\$ 36,000	15.5%
2024	\$ 5,580	\$ 5,580	\$ -	\$ 36,000	15.5%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

VILLAGE OF REEVES, LOUISIANA

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30, 2024

<u>Date</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
Municipal Police Employee Retirement System:					
2024	\$ 1,140	\$ 1,140	\$ -	\$ 75,517	1.5%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SUPPLEMENTARY INFORMATION

VILLAGE OF REEVES, LOUISIANA

JUSTICE SYSTEM FUNDING SCHEDULE - COLLECTING/DISBURSING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION

Year Ended June 30, 2024

	First Six Month Period Ended December 31, 2023	Second Six Month Period Ended June 30, 2023
Cash Presentation		
Beginning Balance of Amounts Collected	\$ 3,178	\$ 4,699
Add: Collections		
Civil Fees	-	-
Bond Fees	-	-
Asset Forfeiture/Sale	-	-
Pre-Trial Diversion Program Fees	-	-
Criminal Court Costs/Fees	122,422	165,992
Criminal Fines - Contempt	-	-
Criminal Fines - Other	-	-
Restitution	-	-
Probation/Parole/Supervision Fees	-	-
Service/Collection Fees	-	-
Interest Earnings on Collected Balances	-	-
Other	-	-
Subtotal Collections	<u>122,422</u>	<u>165,992</u>
Less: Disbursements To Governments & Nonprofits		
Crime Stoppers of Allen Parish	734	808
LDH THSCI	1,485	1,685
Louisiana Commission on Law Enforcement	796	867
Louisiana Supreme Court	184	202
Southwest LA Crime Lab	10,910	12,121
Treasurer, Sate of Louisiana, CMIS	<u>418</u>	<u>404</u>
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	107,895	149,905
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Payments to 3rd Party Collection/Processing Agencies	<u>-</u>	<u>-</u>
Subtotal Disbursements/Retainage	<u>111,073</u>	<u>154,604</u>
Total: Ending Balance of Amounts Collected but not Disbursed/Retained	<u>\$ 4,699</u>	<u>\$ 11,528</u>
Ending Balance of "Partial Payments" Collected but not Disbursed	-	-
Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected	-	-
Total Waivers During the Fiscal Period	-	-

JUSTICE SYSTEM FUNDING SCHEDULE - RECEIVING ENTITY
AS REQUIRED BY ACT 87 OF THE 2020 REGULAR LEGISLATIVE SESSION

[illegible]

OTHER INFORMATION

VILLAGE OF REEVES, LOUISIANA

Schedule of Compensation, Benefits and Other Payments
To Chief Executive Officer

Year Ended June 30, 2024

Chief Executive Officer: Chris Guillory, Mayor

<u>Purpose</u>	<u>Amount</u>
Salary	\$ -
Benefits-insurance	-
Benefits-retirement	-
Benefits-cell phone	-
Car allowance	-
Vehicle provided by government	-
Per diem	16,000
Reimbursements	-
Travel	-
Registration fees	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing Unvouchered expenses	-
Special meals	-

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

November 15, 2024

The Honorable Chris Guillory, Mayor
and the Board of Councilmen
Village of Reeves, Louisiana

We have audited, 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, the financial statements of the governmental activities, the business-type activities and each major fund of the Village of Reeves, Louisiana, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Village of Reeves, Louisiana's basic financial statements, and have issued our report thereon dated November 15, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of Reeves, Louisiana's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village of Reeves, Louisiana's internal control over financial reporting. 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, detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or, significant

deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Reeves, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination 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.

The Village of Reeves, Louisiana's Response to Findings

The Village of Reeves, Louisiana's response to the findings identified in our audit is described in the accompanying findings and responses. The Village of Reeves, Louisiana's response was not subjected to the auditing procedures in the audit of the financial statements, and accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Year Ended June 30, 2024

- Material weaknesses(es) identified? ____ yes X no
- Control deficiencies identified that are
not considered to be material weakness(es)? X yes ____ none reported

Noncompliance material to financial statements noted? ____ yes X no

Management Response/Corrective Action Planned: Management has responded that it does not believe that it is cost effective to employ adequate personnel to achieve appropriate segregation of duties. Management has implemented supervision and review procedures such as review and approval of supporting documents related to expenditures, review listings of revenue received and review of bank reconciliations on a monthly basis.

VILLAGE OF REEVES, LOUISIANA

Schedule of Findings and Responses - Continued

Year Ended June 30, 2024

Finding 2024-002:

Budgetary Authority and Control

Condition: Inadequate budgeting procedures resulted in general fund expenditures being over budget by 5% or more and an amended budget was not performed.

Criteria: Inadequate budgeting procedures.

Effect: Violation of Louisiana Revised Statute 39:1310.

Cause: Administrative lack of oversight.

Recommendation: The Village should review actual revenues and expenditures on an interim basis and amend the budget if necessary.

Corrective Action Planned/Management Response: The Village agrees with the finding and will implement the recommendations.

III – Findings and Questioned Costs for Federal Awards

- N/A

IV – Prior Year Findings

Finding #2023-001: Inadequate Segregation of Duties

Status: This is repeat finding in 2024.

Finding #2023-002: Budgetary Authority and Control

Status: This is repeat finding in 2024.

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2024

November 12, 2024

Board of Councilmen
Village of Reeves, Louisiana
Reeves, Louisiana

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year July 1, 2023 through June 30, 2024. The Village of Reeves, Louisiana's management is responsible for those C/C areas identified in the SAUPs.

The Village of Reeves, Louisiana 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 year July 1, 2023 through June 30, 2024. 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:

- i. *Budgeting*, including preparing, adopting, monitoring, and amending the budget.

The Village's policies and procedures manual addresses budgeting.

- 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.

The Village's policies and procedures manual addresses purchasing.

- iii. *Disbursements*, including processing, reviewing, and approving.

The Village's written policies and procedures manual does not address this area.

Management Response: The Village will update the Policies and Procedures manual to include this area.

- 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 confirmations with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

The Village's written policies and procedures manual does not address this area.

Management Response: The Village will update the Policies and Procedures manual to include this area.

- 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.

The Village's policies and procedures manual addresses payroll/personnel.

- 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.

The Village's policies and procedures manual addresses contracting.

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

The Village's policies and procedures manual addresses travel and expense reimbursement.

- 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).

The Village's written policies and procedures manual does not address this area.

Management Response: The Village will update the Policies and Procedures manual to include this area.

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

The Village's policies and procedures manual addresses ethics.

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

The Village's policies and procedures manual addresses debt service.

- xi. *Information Technology Disaster Recovery/Business Continuity*, includes (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.

The Village's policies and procedures manual addresses information technology disaster recovery/business continuity.

- 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.

The Village's policies and procedures manual addresses prevention of sexual harassment.

2) Board or Finance Committee

- 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
 - 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.

No exceptions were found as a result of this procedure.

- 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 funds, and semi-annual budget-to-actual, at a minimum, on 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 funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

The minutes did not reference or include monthly budget-to-actual comparisons on the general fund.

Management Response: Management presents the budget-to-actual comparison annually.

- iii. For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted 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 unrestricted fund balance in the general fund.

No exceptions were found as a result of this procedure.

- 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.

No exceptions were found as a result of this procedure.

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 accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

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

No exceptions were found as a result of this procedure.

- ii. Bank reconciliations include 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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

4) Collections

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/check/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).

The listing was provided by management.

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

- i. Employees that are responsible for cash collections do not share cash drawers/registers;

Cash drawers are not maintained.

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

The employee responsible for collecting cash is responsible for preparing/making bank deposits.

Management Response: Due to only one office personnel, this procedure is not feasible.

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

The employee responsible for collecting cash is responsible for posting collection entries to the general ledger.

Management Response: Due to only one office personnel, this procedure is not feasible.

- 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 responsible for collecting cash, unless another employee/official verifies the reconciliation.

The employee responsible for reconciling cash collections to the general ledger is responsible for collecting cash.

Management Response: Due to only one office personnel, this procedure is not feasible.

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

No exceptions were found as a result of this procedure.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure 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). Obtain supported documentation for each of the deposits and:

- i. Observe that receipts are sequentially pre-numbered.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- iii. Trace the deposit slip total to the actual deposit per the bank statement.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- v. Trace the actual deposit per the bank statement to the general ledger.

No exceptions were found as a result of this procedure.

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).

The listing was provided by management.

- B. For each location selected under #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;

No exceptions were found as a result of this procedure.

- ii. At least two employees are involved in processing and approving payments to vendors;

No exceptions were found as a result of this procedure.

- 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;

No exceptions were found as a result of this procedure.

- 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

No exceptions were found as a result of this procedure.

- 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.

No exceptions were found as a result of this procedure.

- 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

No exceptions were found as a result of this procedure.

- 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.

No exceptions were found as a result of this procedure.

- 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) 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.

No exceptions were found as a result of this procedure.

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 cards. Obtain management's representation that the listing is complete.

The listing was provided by management.

- 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 excess fuel card usage) were reviewed and approved, in writing, (or electronically approved) by someone other than the authorized card holder; and

No exceptions were found as a result of this procedure.

- ii. Observe that finance charges and late fees were not assessed on the selected statements.

No exceptions were found as a result of this procedure.

- C. Using the monthly statements or combined statements selected under procedure #6B 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). For each transaction, observed 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).

No exceptions were found as a result of this procedure.

7) Travel and Travel-Related Expense Reimbursements (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);

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

- 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

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

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. 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 Law (e.g., solicited quotes or bids, advertised), if required by law;

No exceptions were found as a result of this procedure.

- 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);

No exceptions were found as a result of this procedure.

- 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

No exceptions were found as a result of this procedure.

- 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.

No exceptions were found as a result of this procedure.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select five employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to the authorized salaries/pay rates in the personnel files.

No exceptions were found as a result of this procedure.

- 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 officials documented their daily attendance and leave (e.g., vacation sick, compensatory);

No exceptions were found as a result of this procedure.

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials.

No exceptions were found as a result of this procedure.

- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

No exceptions were found as a result of this procedure.

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

No exceptions were found as a result of this procedure.

- 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 the entity policy.

No exceptions were found as a result of this procedure.

- 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.

No exceptions were found as a result of this procedure.

10) Ethics

- 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 each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

No exceptions were found as a result of this procedure.

- ii. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

No exceptions were found as a result of this procedure.

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

No exceptions were found as a result of this procedure.

11) Debt Service

- 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 the State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

The Village did not issue any debt.

- 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).

The Village has no debt outstanding.

12) Fraud Notice

- 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.

The Village was not aware of any misappropriation of public funds or assets during the fiscal year.

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

No exceptions were found as a result of this procedure.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures,
- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if 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.

We performed the procedure and discussed the results with management. No exceptions were found as a result of this procedure.

- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if 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.

We performed the procedure and discussed the results with management. No exceptions were found as a result of this procedure.

- 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.

We performed the procedure and discussed the results with management. No exceptions were found as a result of this procedure.

- 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.

We performed the procedure and discussed the results with management. No exceptions were found as a result of this procedure.

- 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. 42:1267. The requirements are as follows:
- Hired before June 9, 2020 - completed the training; and
 - Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

No exceptions were found as a result of this procedure.

- B. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

No exceptions were found as a result of this procedure.

- 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;

No exceptions were found as a result of this procedure

- ii. Number of sexual harassment complaints received by the agency;

No exceptions were found as a result of this procedure.

- iii. Number of complaints which resulted in a finding that sexual harassment occurred;

No exceptions were found as a result of this procedure.

- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

No exceptions were found as a result of this procedure.

- v. Amount of time it took to resolve each complaint.

No exceptions were found as a result of this procedure.

We were engaged by the Village of Reeves, Louisiana 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 of Reeves, Louisiana 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.