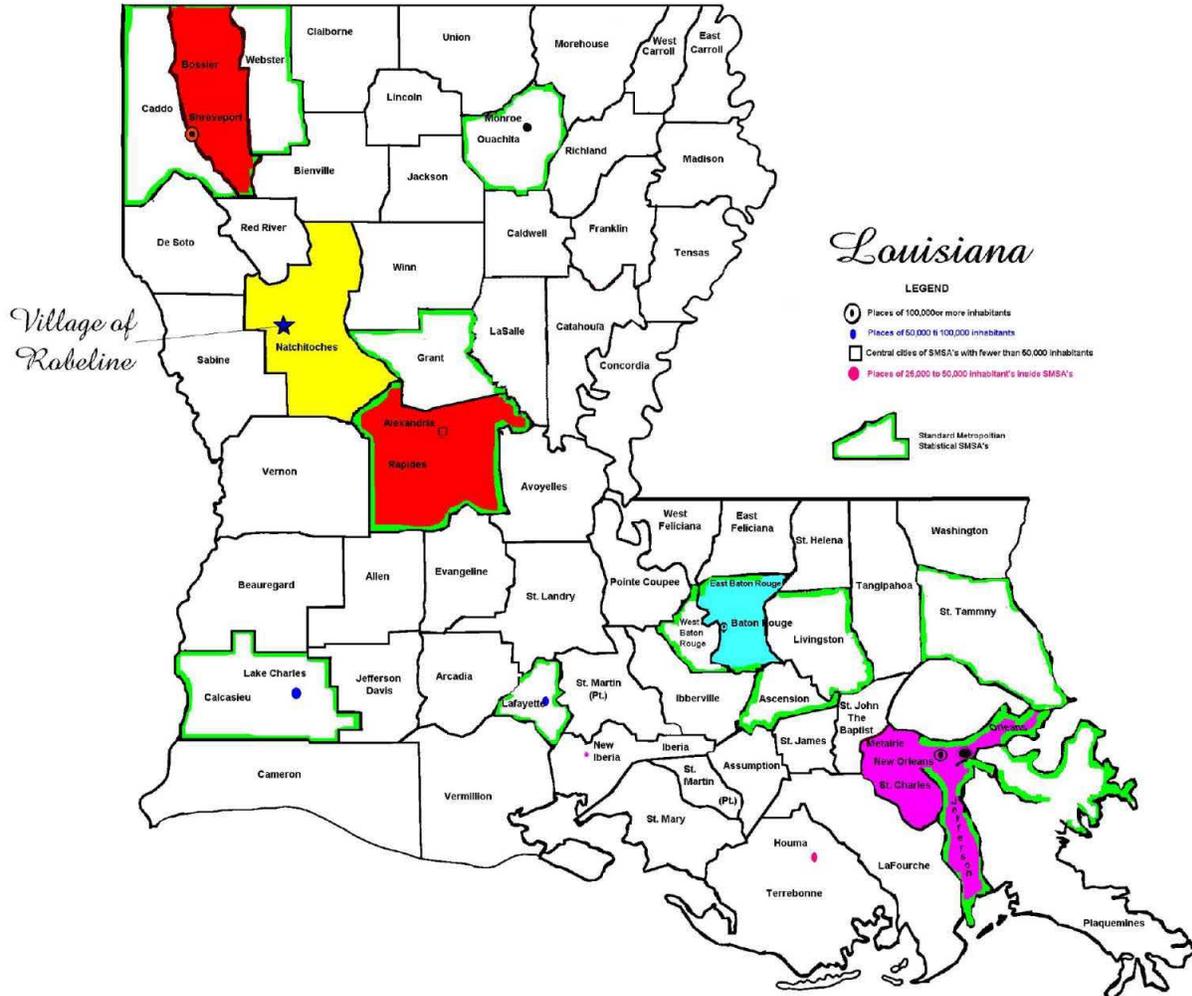


VILLAGE OF ROBELINE, LOUISIANA

Annual Financial Statements

JUNE 30, 2018

VILLAGE OF ROBELINE, LOUISIANA



* The Village of Robeline was incorporated under the Lawrason Act and operates under an elected Mayor-Board of Alderman form of government. The Village's major operations include public safety, streets, sanitation, recreation and parks, and general administrative services.

**Village of Robeline, Louisiana
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June 30, 2018**

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Certified Public Accountants

Association of
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INDEPENDENT AUDITOR'S REPORT

The Honorable Bobby Behan, Mayor
& Members of the Board
Robeline, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the business-type activities of the Village of Robeline, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Village of Robeline's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the business-type activities of the Village of Robeline, as of June 30, 2018, 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.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Robeline's basic financial statements. The Schedule of Compensation Benefits and Other Payments to Agency Head or Chief Executive Officer is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Compensation of Benefits and Other Payments to Agency Head or Chief Executive Officer is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the Schedule of Compensation Benefits and Other Payments to Agency Head or Chief Executive Officer is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2018, on our consideration of the Village of Robeline's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Robeline's internal control over financial reporting and compliance.

The Vercher Group

Jena, Louisiana

October 23, 2018

Village of Robeline

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Robeline, Louisiana 71469
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MANAGEMENT'S DISCUSSION & ANALYSIS

As management of the Village, we offer readers of the Village of Robeline's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with the Village's financial statements.

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

FINANCIAL HIGHLIGHTS

Governmental Funds

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$371,040 (*net position*). This is a \$274,111 increase from last year.
- The Village had total revenue of \$674,049, in which \$569,319 came from fines and forfeitures. This is a \$291,861 increase from last year's revenues, mainly due to an increase in fines and forfeitures in the amount of \$267,000.
- The Village had total expenditures of \$459,452, which is a \$69,614 increase from last year, mainly due to an increase in personnel expense in the amount of \$28,384 and an increase in contract labor in the amount of \$33,398.

Enterprise Funds

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$445,993 (*net position*). This is a \$14,883 decrease from last year.
- The Village had total revenue of \$11,001. This is a \$608 increase from last year.
- The Village had total expenses of \$25,403, including depreciation expense in the amount of \$20,474, which is a non-cash transaction. This is a \$1,558 decrease from last year.

MD&A

OVERVIEW OF THE FINANCIAL STATEMENTS

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

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

USING THIS ANNUAL REPORT

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

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

Reporting the Village's Most Significant Funds

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

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

MD&A

Comparative Statement of Net Position Governmental Funds

The following table represents a Comparative Statement of Net Position as of June 30, 2018:

	<u>2017</u>	<u>2018</u>	<u>% Change</u>
Current Assets			
Cash & Cash Equivalents	\$ 35,415	\$ 179,813	407.7
Receivables (Net)	4,382	69,053	1,475.8
Total Current Assets	<u>39,797</u>	<u>248,866</u>	525.3
Non-Current Assets			
Capital Assets, Net of Accumulated Depreciation	159,453	171,570	7.6
Total Non-Current Assets	<u>159,453</u>	<u>171,570</u>	7.6
Total Assets	<u>199,250</u>	<u>420,436</u>	111.0
Current Liabilities			
Accounts Payable	2,719	2,765	1.7
Accrued Payroll/Payroll Taxes Payable	49,012	12,504	-74.5
Notes Payable Due Within One Year	17,356	12,253	-29.4
Total Current Liabilities	<u>69,087</u>	<u>27,522</u>	-60.2
Non-Current Liabilities			
Notes Payable	33,234	21,874	-34.2
Total Non-Current Liabilities	<u>33,234</u>	<u>21,874</u>	-34.2
Total Liabilities	<u>102,321</u>	<u>49,396</u>	-51.7
Net Position			
Net Investment in Capital Assets	108,863	137,443	26.3
Unrestricted	(11,934)	233,597	2,057.4
Total Net Position	<u>\$ 96,929</u>	<u>\$ 371,040</u>	282.8

MD&A

Comparative Changes in Fund Balances Governmental Funds

The following table reflects the Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances for the year ended June 30, 2018:

	<u>2017</u>	<u>2018</u>	<u>% Change</u>
Revenues			
Fees & Charges	\$ 24,101	\$ 21,658	-10.1
Taxes	53,118	50,050	-5.8
Fines & Forfeitures	302,319	569,319	88.3
Miscellaneous	2,650	33,022	1,146.1
Total Revenues	<u>382,188</u>	<u>674,049</u>	76.4
Expenditures			
Personnel Expense	210,958	239,342	13.5
Police Expense	29,438	42,269	43.6
Contract Labor	-0-	33,398	100.0
Insurance Expense	6,767	7,712	14.0
Other Administrative	20,387	28,138	38.0
Event Expense	1,775	2,564	44.5
Utilities	18,623	18,001	-3.3
Repairs & Maintenance	8,633	14,969	73.4
Professional	5,205	4,900	-5.9
Park Expense	1,558	1,310	-15.9
Debt Service	16,257	28,192	73.4
Capital Outlay	66,133	36,286	-45.1
Miscellaneous	4,104	2,371	-42.2
Total Expenditures	<u>389,838</u>	<u>459,452</u>	17.9
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,650)</u>	<u>214,597</u>	2,905.2
Other Financing Sources (Uses)			
Transfers In/(Out)	4,500	481	-89.3
Loan Proceeds	46,600	-0-	-100.0
Total Other Financing Sources (Uses)	<u>51,100</u>	<u>481</u>	-99.1
Net Change in Fund Balance	43,450	215,078	395.0
Prior Period Adjustment	(38,330)	30,453	179.5
Fund Balances - Beginning	(17,054)	(11,934)	-30.0
Fund Balances - Ending	<u>\$ (11,934)</u>	<u>\$ 233,597</u>	205.7

MD&A

Comparative Statement of Net Position Enterprise Funds

The following table represents a Comparative Statement of Net Position as of June 30, 2018:

	<u>2017</u>	<u>2018</u>	<u>% Change</u>
Assets			
Cash & Investments	\$ 4,031	\$ 10,185	152.7
Receivables (Net)	738	820	11.1
Restricted Assets	1,941	1,941	0.0
Capital Assets, Net of Accumulated Depreciation	<u>456,507</u>	<u>436,033</u>	-4.5
Total Assets	<u>463,217</u>	<u>448,979</u>	-3.1
Liabilities			
Accounts, Salaries, & Other Payables	400	1,045	161.3
Customer Deposits	<u>1,941</u>	<u>1,941</u>	0.0
Total Liabilities	<u>2,341</u>	<u>2,986</u>	27.6
Net Position			
Net Investment in Capital Assets	456,507	436,033	-4.5
Unrestricted	<u>4,369</u>	<u>9,960</u>	128.0
Total Net Position	<u>\$ 460,876</u>	<u>\$ 445,993</u>	-3.2

MD&A

Comparative Changes in Net Position Enterprise Funds

The following table reflects the Comparative Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2018:

	<u>2017</u>	<u>2018</u>	<u>% Change</u>
Operating Revenues	\$ 10,393	\$ 11,001	5.9
Total Operating Revenues	<u>10,393</u>	<u>11,001</u>	5.9
Operating Expenses			
Cost of Sales & Services	6,487	4,929	-24.0
Depreciation	20,474	20,474	0.0
Total Operating Expenses	<u>26,961</u>	<u>25,403</u>	-5.8
Operating Income (Loss)	<u>(16,568)</u>	<u>(14,402)</u>	-13.1
Other Financing Sources (Uses)			
Transfers In (Out)	(4,500)	(481)	-89.3
Total Other Financing Sources (Uses)	<u>(4,500)</u>	<u>(481)</u>	-89.3
Increase (Decrease) in Net Position	(21,068)	(14,883)	-29.4
Beginning Net Position	<u>481,944</u>	<u>460,876</u>	-4.4
Ending Net Position	<u>\$ 460,876</u>	<u>\$ 445,993</u>	-3.2

CAPITAL ASSETS & LONG-TERM DEBT

Capital Assets – Governmental Fund

At June 30, 2018, the Village had \$171,570 invested in capital assets, including the following:

	Capital Assets at Year-End	
	<u>2017</u>	<u>2018</u>
Land*	\$ 26,000	\$ 48,000
Building	46,010	46,010
Furniture & Equipment	84,811	99,097
Recreation Facility	51,279	51,279
Vehicles	168,799	168,799
Substation	27,000	27,000
Accumulated Depreciation	(244,446)	(268,615)
Total	<u>\$ 159,453</u>	<u>\$ 171,570</u>

* Land in the amount of \$48,000 is not being depreciated.

MD&A

Capital Assets – Enterprise Fund

At June 30, 2018, the Village had \$436,033 invested in capital assets, including the following:

Capital Assets at Year-End			
		2017	2018
Sewer System	\$	905,650	\$ 905,650
Accumulated Depreciation		(449,143)	(469,617)
Totals	\$	456,507	\$ 436,033

Long-Term Debt

Leases payable at June 30, 2018, are comprised of the following individual issues:

Leases Payable

- 1) \$27,671 lease purchase agreement with First Government Lease Company for the purchase of a 2013 Chevrolet Tahoe; due in monthly installments of \$691.00 starting 7/1/2013 and ending 6/1/2018. Annual interest rate is 17.22%. \$ -0-
 - 2) \$46,600 lease purchase agreement with Acme Auto Lease Company for the purchase of two 2017 Dodge Chargers; due in monthly installments of \$1,200.00 starting 3/10/17 and ending 2/10/2021. Annual interest rate is 10.805%. 34,127
- Total** \$ 34,127

		Balance 6-30-2017		Additions		Principle Paid		Balance 6-30-2018
Police Auto	\$	7,154	\$	-0-	\$	(7,154)	\$	-0-
2 nd Police Auto		43,436		-0-		(9,309)		34,127
Total	\$	50,590	\$	-0-	\$	(16,463)	\$	34,127

CONTACTING THE VILLAGE’S FINANCIAL MANGEMENT:

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Village’s finances and to show the Village’s accountability for the money it receives. If you have questions about this report or need additional information, contact Mayor Bobby Behan, phone number (318) 472-6121.

Basic Financial Statements

Village of Robeline, Louisiana
Statement of Net Position
June 30, 2018

	PRIMARY GOVERNMENT		TOTAL
	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	
CURRENT ASSETS			
Cash & Cash Equivalents	\$ 179,813	\$ 10,185	\$ 189,998
Receivables	69,053	820	69,873
TOTAL CURRENT ASSETS	<u>248,866</u>	<u>11,005</u>	<u>259,871</u>
NON CURRENT ASSETS			
Restricted Assets	-0-	1,941	1,941
Capital Assets (Net of Accumulated Depreciation)	171,570	436,033	607,603
TOTAL NON CURRENT ASSETS	<u>171,570</u>	<u>437,974</u>	<u>609,544</u>
TOTAL ASSETS	<u>420,436</u>	<u>448,979</u>	<u>869,415</u>
CURRENT LIABILITIES			
Accounts Payable	2,765	1,045	3,810
Accrued Payroll/Payroll Taxes Payable	12,504	-0-	12,504
Notes Payable Due Within One Year	12,253	-0-	12,253
TOTAL CURRENT LIABILITIES	<u>27,522</u>	<u>1,045</u>	<u>28,567</u>
NON CURRENT LIABILITIES			
Customer Deposits	-0-	1,941	1,941
Notes Payable	21,874	-0-	21,874
TOTAL NON CURRENT LIABILITIES	<u>21,874</u>	<u>1,941</u>	<u>23,815</u>
TOTAL LIABILITIES	<u>49,396</u>	<u>2,986</u>	<u>52,382</u>
NET POSITION			
Net Investment in Capital Assets	137,443	436,033	573,476
Unrestricted	233,597	9,960	243,557
TOTAL NET POSITION	<u>\$ 371,040</u>	<u>\$ 445,993</u>	<u>\$ 817,033</u>

The accompanying notes are an integral part of this statement.

Village of Robeline, Louisiana
Balance Sheet, Governmental Funds
June 30, 2018

	GENERAL FUND
ASSETS	
Cash & Cash Equivalents	\$ 179,813
Receivables	69,053
TOTAL ASSETS	248,866
 LIABILITIES	
Accounts Payable	2,765
Accrued Payroll/Payroll Taxes Payable	12,504
TOTAL LIABILITIES	15,269
 FUND BALANCES	
Unassigned	233,597
TOTAL FUND BALANCES	233,597
 TOTAL LIABILITIES & FUND BALANCE	 \$ 248,866

The accompanying notes are an integral part of this statement.

Village of Robeline, Louisiana
Statement of Revenues, Expenditures &
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2018

	<u>GENERAL FUND</u>
REVENUES	
Fees & Charges	\$ 21,658
Taxes	50,050
Fines & Forfeitures	569,319
Miscellaneous	<u>33,022</u>
TOTAL REVENUES	<u>674,049</u>
EXPENDITURES	
Personnel Expense	239,342
Police Expense	42,269
Contract Labor	33,398
Insurance Expense	7,712
Other Administrative	28,138
Event Expense	2,564
Utilities	18,001
Repairs & Maintenance	14,969
Professional	4,900
Park Expense	1,310
Debt Service	28,192
Capital Outlay	36,286
Miscellaneous	<u>2,371</u>
TOTAL EXPENDITURES	<u>459,452</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER)	
EXPENDITURES	<u>214,597</u>
OTHER FINANCING SOURCES (USES)	
Transfers In/(Out)	481
Loan Proceeds	<u>-0-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>481</u>
NET CHANGE IN FUND BALANCE	215,078
PRIOR PERIOD ADJUSTMENT	30,453
FUND BALANCES - BEGINNING	<u>(11,934)</u>
FUND BALANCES - ENDING	<u>\$ 233,597</u>

The accompanying notes are an integral part of this statement.

Village of Robeline, Louisiana
Reconciliation of the Statement of Revenues, Expenditures,
& Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2018

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

Net Change in Fund Balances, Total Governmental Funds, Statement E		\$ 21,078
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 Depreciation Exp.	36,286 (24,169) -----
		12,117
The issuance of short-term and long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of Governmental Funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	Principal Loan Proceeds	16,463 -0- -----
		16,463
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in Governmental Funds.		----- -0-
Changes in Net Position of Governmental Activities, Statement B		\$ <u>243,658</u>

The accompanying notes are an integral part of this statement.

Village of Robeline, Louisiana
Statement of Net Position, Proprietary Funds
June 30, 2018

BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS	
(MAJOR ENTERPRISE FUNDS)	
	SEWER FUND
ASSETS	
CURRENT ASSETS	
Cash	\$ 10,185
Receivables	820
TOTAL CURRENT ASSETS	11,005
NON-CURRENT ASSETS	
Restricted Assets	1,941
Capital Assets (Net of Accumulated Depreciation)	436,033
TOTAL NON-CURRENT ASSETS	437,974
TOTAL ASSETS	448,979
LIABILITIES	
CURRENT LIABILITIES	
Accounts, Salaries, & Other Payables	1,045
TOTAL CURRENT LIABILITIES	1,045
NON CURRENT LIABILITIES	
Customer Deposits	1,941
TOTAL NON CURRENT LIABILITIES	1,941
TOTAL LIABILITIES	2,986
NET POSITION	
Net Investment in Capital Assets	436,033
Unrestricted	9,960
TOTAL NET POSITION	\$ 445,993

The accompanying notes are an integral part of this statement.

Village of Robeline, Louisiana
Statement of Revenues, Expenses & Changes in Net Position
Proprietary Funds
June 30, 2018

BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS	
(MAJOR ENTERPRISE FUNDS)	
	SEWER FUND
OPERATING REVENUES	
Charges for Services:	
Sewer Charges	\$ 11,001
TOTAL OPERATING REVENUES	11,001
 OPERATING EXPENSES	
Cost of Sales & Services	4,929
Depreciation	20,474
TOTAL OPERATING EXPENSES	25,403
 OPERATING INCOME (LOSS)	(14,402)
 OTHER FINANCING SOURCES (USES)	
Transfers In (Out)	(481)
TOTAL OTHER FINANCING SOURCES (USES)	(481)
 CHANGE IN NET POSITION	(14,883)
 TOTAL NET POSITION - BEGINNING	460,876
TOTAL NET POSITION - ENDING	\$ 445,993

The accompanying notes are an integral part of this statement.

Village of Robeline, Louisiana
Statement of Cash Flows
Proprietary Funds
June 30, 2018

BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS	
(MAJOR ENTERPRISE FUNDS)	
	SEWER FUND
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts From Customers & Users	\$ 10,919
Payments to Suppliers & Employees	(4,284)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	6,635
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers From (To) Other Funds	(481)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(481)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES	
Addition of Capital Assets	-0-
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	-0-
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	6,154
CASH & CASH EQUIVALENTS, BEGINNING OF YEAR	4,031
CASH & CASH EQUIVALENTS, END OF YEAR	10,185
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating Income (Loss)	(14,402)
Depreciation Expense	20,474
(Increase) Decrease in Accounts Receivable	(82)
(Increase) Decrease in Restricted Assets	-0-
Increase (Decrease) in Accounts Payables	645
Increase (Decrease) in Customer Deposits	-0-
TOTAL ADJUSTMENTS	21,037
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 6,635

The accompanying notes are an integral part of this statement.

**Notes To The Basic
Financial Statements**

VILLAGE OF ROBELINE, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The accounting and reporting policies of the Village of Robeline conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

A. GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

VILLAGE OF ROBELINE, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-(CONTINUED)

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, & FINANCIAL STATEMENT PRESENTATION

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

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

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The municipality reports the following major governmental funds:

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

The municipality reports the following major proprietary funds:

- Sewer Fund

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in

VILLAGE OF ROBELINE, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-(CONTINUED)

connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges for services and sales taxes. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

C. EQUITY CLASSIFICATIONS

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

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

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

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

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

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

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

VILLAGE OF ROBELINE, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-(CONTINUED)

- e. Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund

D. FIXED ASSETS & LONG-TERM LIABILITIES

For the year ended June 30, 2018, no interest costs were capitalized for construction of fixed assets. The Village maintains a threshold level of \$1,500 or more for capitalizing capital assets.

Depreciation of all exhaustible fixed assets is charged as an expense against its operations. Accumulated depreciation is reported on the proprietary fund balance sheet and governmental fund statement of activities. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

	<u>Life In Years</u>
Sewer System	40
Park	10
Equipment	5-10
Auto	6-7

E. CASH & INVESTMENTS

All cash and investments (CD’s over 90 days) are reported at cost and are on deposit as following federally insured banks:

It is the Village’s policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The Village’s deposits are categorized to give an indication of the level of risk assumed by the Village at fiscal year-end. The categories are described as follows:

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

At June 30, 2018, the Village of Robeline’s bank balance was \$200,656. Amounts on deposit are secured by the following pledges:

<u>Description</u>	<u>Market Value</u>
FDIC (Category 1)	\$ 200,656
Securities (Category 2)	-0-
Total	<u>\$ 200,656</u>

Deposits were fully secured as of June 30, 2018.

VILLAGE OF ROBELINE, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-(CONTINUED)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Entity that the fiscal agent bank has failed to pay deposit funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Entity’s name.

F. INVENTORIES

Immaterial amounts of inventory are maintained for general fund and enterprise fund operations and, accordingly, these supplies are expensed as purchased.

G. ACCOUNTS RECEIVABLE & ALLOWANCE FOR BAD DEBTS

	Governmental	Enterprise
	General	Sewer
	Fund	Fund
Sales Tax	\$ 3,372	\$ -0-
Franchise Tax	547	-0-
Property Tax	-0-	-0-
Occupational Licenses	695	-0-
Fines	64,439	-0-
Customer	-0-	820
Allowance for Bad Debts	-0-	-0-
Total	\$ 69,053	\$ 820

H. COMPENSATED ABSENCES

The Village has no compensated absence policy.

VILLAGE OF ROBELINE, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-(CONTINUED)

(2) AD VALOREM TAXES

The Village of Robeline levies taxes on real and business personal property located within its boundaries. The Natchitoches Parish Tax Assessor assesses the property values and prepares the Village's property tax roll. The Village bills and collects its own property taxes.

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. All ad valorem tax revenues are recognized in compliance with NCGA Interpretation-3 and GASB Codification Section P70 (Revenue Recognition – Property Taxes) which states that such revenue is recorded when it becomes measurable and available. Available means due or past due and receivable within the current period and collected no longer than 60 days after the close of the current period.

For the year ended June 30, 2018, taxes of 4.22 mills were levied on property with assessed valuations of \$788,150. Total taxes levied were \$3,326 in 2018. Delinquent taxes are collected by the sale of the related property; therefore, no allowances for uncollectible taxes are considered necessary.

(3) RESTRICTED ASSETS - PROPRIETARY FUND TYPES

At June 30, 2018, restricted assets of the Enterprise Funds were invested in either interest bearing checking accounts or time deposits and were restricted for the following purposes:

Customer Deposits	<u>Sewer</u>
	\$ <u>1,940</u>

(4) GOVERNMENTAL FIXED ASSETS

A summary of general fund property, plant and equipment at June 30, 2018, is as follows:

	Balance 6-30-2017	Additions (Deletions)	Balance 6-30-2018
Land*	\$ 26,000	\$ 22,000	\$ 48,000
Building	46,010	-0-	46,010
Furniture & Equipment	84,811	14,286	99,097
Recreation Facility	51,279	-0-	51,279
Vehicles	168,799	-0-	168,799
Substation	27,000	-0-	27,000
Total Fixed Assets	403,899	36,286	440,185
Accumulated Depreciation	(244,446)	(24,169)	(268,615)
Total Fixed Assets (Net)	\$ 159,453	\$ 12,117	\$ 171,570

* Land in the amount of \$48,000 is not being depreciated.

VILLAGE OF ROBELINE, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-(CONTINUED)

(5) ENTERPRISE FUND PROPERTY PLANT AND EQUIPMENT

A summary of enterprise fund property, plant and equipment at June 30, 2018, is as follows:

<u>Sewer System</u>	<u>Balance 6-30-2017</u>	<u>Additions (Deletions)</u>	<u>Balance 6-30-2018</u>
Plant	\$ 905,650	\$ -0-	\$ 905,650
Accumulated Depreciation	(449,143)	(20,474)	(469,617)
Total Fixed Assets (Net)	\$ 456,507	\$ (20,474)	\$ 436,033

(6) ACCOUNTS, SALARIES, AND OTHER PAYABLES

General Fund

The payables of \$15,269 at June 30, 2018, are as follows:

Accounts Payable	\$ 2,765
Payroll Taxes Payable	12,504
Total	\$ 15,269

Enterprise Fund

The payables of \$1,045 at June 30, 2018, are as follows:

Accounts Payable	\$ 1,045
Total	\$ 1,045

(7) CHANGES IN LONG-TERM DEBT

The following is a summary of lease payable transactions of the Village of Robeline for the year ended June 30, 2018.

	<u>Balance 6-30-2017</u>	<u>Additions</u>	<u>Principle Paid</u>	<u>Balance 6-30-2018</u>
Police Auto	\$ 7,154	\$ -0-	\$ (7,154)	\$ -0-
Acme Auto Lease	43,436	-0-	(9,309)	34,127
Total	\$ 50,590	\$ -0-	\$ (16,463)	\$ 34,127

VILLAGE OF ROBELINE, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-(CONTINUED)

Leases payable at June 30, 2018, are comprised of the following individual issues:

Leases Payable

1. \$27,671 lease purchase agreement with First Government Lease Company for the purchase of a 2013 Chevrolet Tahoe; Due in 60 monthly installments of \$691.00 starting 7/1/2013 and ending 6/1/2018. Annual interest rate is 17.22%.	\$ -0-
2. \$46,600 lease purchase agreement with Acme Auto Lease Company for the purchase of two 2017 Dodge Chargers: due in monthly installments of \$1,200.00 starting 3/10/17 and ending 2/10/2021. Annual interest rate is 10.805%	34,127
Total	\$ 34,127

The annual requirements to amortize all debt outstanding as of June 30, 2018, including interest payments, are as follows:

Year Ending June 30,	Police Auto	Total
2019	\$ 14,400	\$ 14,400
2020	14,400	14,400
2021	9,600	9,600
Total	\$ 38,400	\$ 38,400

(8) ELECTED OFFICIAL'S SALARIES

Name	Title	Term in Office	Annualized Salary
Bobby Behan	Mayor	1/1/15 – 12/31/18	\$ 30,456
Gilda Jenkins	Alderman	1/1/15 – 12/31/18	4,500
Berhen Oge	Alderman	1/1/15 – 12/31/18	4,500
Randall Bockstanz	Alderman	1/1/15 – 12/31/18	4,500
Gordon O'Con	Chief of Police	1/8/15 – 12/31/18	\$ 20,800

(9) USE OF ESTIMATES

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

VILLAGE OF ROBELINE, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-(CONTINUED)

(10) RETIREMENT PLANS

The Village does not offer its employees a retirement plan. All employees are in the social security system.

(11) TRANSFERS

Transfers From/To Other Funds			
Fund	Transfers In	Transfers Out	Total
General	\$ 481	\$ -0-	\$ 481
Sewer	-0-	(481)	(481)
Total	\$ 481	\$ (481)	\$ -0-

The transfers were made to help pay for expenses.

(12) PRIOR PERIOD ADJUSTMENT

A prior period adjustment in the amount of \$30,453 was made to book prior year receivables.

**Required Supplemental
Information**

Village of Robeline, Louisiana
Statement of Revenues, Expenditures, & Changes in Fund Balance
Budget & Actual
General Fund
For the Year Ended June 30, 2018

	BUDGET AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	BUDGET TO ACTUAL DIFFERENCES FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES				
Fees & Charges	\$ 25,617	\$ 42,526	\$ 21,658	\$ (20,868)
Taxes	52,695	8,143	50,050	41,907
Fines & Forfeitures	299,592	522,163	569,319	47,156
Miscellaneous	16,130	21,257	33,022	11,765
TOTAL REVENUES	394,034	594,089	674,049	79,960
EXPENDITURES				
Personnel Expense	280,634	301,439	239,342	62,097
Police Expense	23,900	60,574	42,269	18,305
Insurance Expense	7,500	8,961	7,712	1,249
Other Administrative	9,040	12,529	28,138	(15,609)
Event Expense	-0-	4,873	2,564	2,309
Utilities	10,550	12,195	18,001	(5,806)
Repairs & Maintenance	23,003	74,876	14,969	59,907
Professional	4,725	4,900	4,900	-0-
Contract Labor	-0-	-0-	33,398	(33,398)
Debt Service	16,183	28,374	28,192	182
Capital Outlay	16,400	31,816	36,286	(4,470)
Miscellaneous	2,099	11,373	3,681	7,692
TOTAL EXPENDITURES	394,034	551,910	459,452	92,458
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-0-	42,179	214,597	172,418
OTHER FINANCING SOURCES (USES)				
Transfers In/(Out)	-0-	(315)	481	796
Loan Proceeds	-0-	-0-	-0-	-0-
TOTAL OTHER FINANCING SOURCES (USES)	\$ -0-	\$ (315)	481	\$ 796
NET CHANGE IN FUND BALANCE			215,078	
PRIOR PERIOD ADJUSTMENT			30,453	
FUND BALANCES – BEGINNING			(11,934)	
FUND BALANCES – ENDING			\$ 233,597	

See independent auditor's report.

Other Information

Village of Robeline, Louisiana
Schedule of Compensation Benefits and Other Payments
to Agency Head or Chief Executive Officer
For the Year Ended June 30, 2018

Honorable Bobby Behan, Mayor

Purpose	Amount
Salary	\$ 30,456
Benefits-Insurance	-0-
Benefits-Retirement	-0-
Benefits (Expense Allowance)	-0-
Car Allowance	-0-
Vehicle Provided by Government	-0-
Per Diem	-0-
Reimbursements	-0-
Travel	-0-
Registration Fees	-0-
Conference Travel	-0-
Continuing Professional Education Fees	-0-
Housing	-0-
Un-vouchered Expenses*	-0-
Special Meals	\$ -0-

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

See independent auditor's report.

Other Reports

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

The Honorable Bobby Behan, Mayor
& Members of the Board
Robeline, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the business type activities of the Village of Robeline, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Village of Robeline's basic financial statements, and have issued our report thereon dated October 23, 2018.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material

weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies: **(2018-1 Old Outstanding Checks, 2018-2 Small Size Entity, 2018-4 Policies and Procedures)**.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of Robeline's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item: **2018-3 Budget Adoption**.

Village of Robeline's Response to Findings

The Village of Robeline's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The Village of Robeline's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

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

The Vercher Group

Jena, Louisiana
October 23, 2018

**VILLAGE OF ROBELINE
ROBELINE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Year Ended June 30, 2018**

We have audited the basic financial statements of the Village of Robeline, Louisiana, as of and for the year ended June 30, 2018, and have issued our report thereon dated October 23, 2018. We conducted our audit in accordance with generally accepted auditing standards and the standards in the United States of America applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Section I - Summary of Auditor's Results

Our audit of the financial statements as of June 30, 2018, resulted in an unmodified opinion.

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

Internal Control

Material Weaknesses Yes No Significant Deficiencies Yes No

Compliance

Compliance Material to Financial Statements Yes No

b. Federal Awards (Not Applicable)

Internal Control

Material Weaknesses Yes No Other Conditions Yes No

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

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

Yes No

c. Identification of Major Programs:

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

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

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

**VILLAGE OF ROBELINE
ROBELINE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)
For the Year Ended June 30, 2018**

Section II - Financial Statement Findings

2018-1 Old Outstanding Checks

Condition: The Village has \$6,780 in outstanding checks that are more than six months old.

Criteria: Not clearing old outstanding checks on a regular basis can result in the issuance of financial statements that understates cash.

Cause of Condition: Not correcting the bank reconciliation.

Effect of Condition: Understatement of cash in the financial statements.

Recommendation: We recommend that the old outstanding checks should be added back to the books and the bank reconciliation corrected or sent to the State Unclaimed Property.

Client Response and Corrective Action: The old outstanding checks will be added back to the books and the bank reconciliation corrected or sent to the State Unclaimed Property.

2018-2 Small Size Entity

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

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

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

Effect of Condition: Significant internal control deficiency.

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

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

**VILLAGE OF ROBELINE
ROBELINE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)
For the Year Ended June 30, 2018**

Section II - Financial Statement Findings (continued.....)

2018-3 Budget Adoption

Condition: The Village did not hold a public hearing on its budget adoption.

Criteria: To the extent that proposed expenditures are greater than \$500,000, the Local Government Budget Act requires entities to make their budget available for public inspection and have it advertised its availability in their official journal. The advertisement should include the date, time, and place of the public hearing on the budget.

Cause of Condition: First year that revenues exceeded \$500,000 and the Village was not aware of the requirements.

Effect of Condition: Violation of the Budget Act.

Recommendation: When budgeting expenditures exceed \$500,000 in the general fund, the Village should make their budget available for public inspection and have it advertised its availability in their official journal. The advertisement should include the date, time, and place of the public hearing on the budget.

Client Response and Corrective Action: When budgeting expenditures exceed \$500,000 in the general fund, the Village will make their budget available for public inspection and have it advertised its availability in their official journal. The advertisement will include the date, time, and place of the public hearing on the budget.

2018-4 Policies and Procedures

Condition: The Village does not have a written policies and procedures manual that addresses budgeting, purchasing, disbursements, receipts, contracting, credit cards/fuel cards, travel and expense reimbursements, ethics or debt service.

Criteria: Good internal controls require that an entity have a written policies and procedures manual that addresses budgeting, purchasing, disbursements, receipts, contracting, credit card/fuel cards, travel and expense reimbursement, ethics and debit service.

Cause of Condition: Not having written policies and procedures.

Effect of Condition: Significant internal control deficiency.

**VILLAGE OF ROBELINE
ROBELINE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)
For the Year Ended June 30, 2018**

Section II - Financial Statement Findings (continued.....)

Recommendation: The Village should prepare a written policies and procedures manual that addresses budgeting, purchasing, disbursements, receipts, contracting, credit cards/fuel cards, travel and expense reimbursement, ethics and debt service.

Client Response and Corrective Acton: The Village will prepare a written policies and procedures manual that addresses budgeting, purchasing, disbursements, receipts, contracting, credit cards/fuel cards, travel and expense reimbursement, ethics and debt service.

Section III – Federal Awards Findings and Questioned Costs

Not applicable.

VILLAGE OF ROBELINE, LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION
FOR CURRENT YEAR AUDIT FINDINGS

FINDINGS:

2018-1 OLD OUTSTANDING CHECKS

Finding: The Village has \$6,780 in outstanding checks that are more than six months old. Not clearing old outstanding checks on a regular basis can result in the issuance of financial statements that understates cash.

Corrective Action: We recommend that the old outstanding checks should be added back to the books and the bank reconciliation corrected or sent to the State Unclaimed Property.

Contact Person: Bobby Behan, Mayor

Anticipated Completion Date: June 30, 2019

2018-2 SMALL SIZE ENTITY

Finding: Because of the small size of the Village and the lack of separation of duties of employees, many of the important elements of internal controls cannot always be achieved to ensure adequate protection of the Village's cash. Important elements of good internal controls often require that the same employee does not handle the functions of accounting, collections, billing, receiving and check writing.

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

Contact Person: Bobby Behan, Mayor

Anticipated Completion Date: N/A

2018-3 BUDGET ADOPTION

Finding: The Village did not hold a public hearing on its budget adoption. To the extent that proposed expenditures are greater than \$500,000, the Local Government Budget Act requires entities to make their budget available for public inspection and have it advertised its availability in their official journal. The advertisement should include the date, time, and place of the public hearing on the budget.

Corrective Action: When budgeting expenditures exceed \$500,000 in the general fund, the village should make their budget available for public inspection and have it advertised its availability in their official journal. The advertisement should include the date, time, and place of the public hearing on the budget.

VILLAGE OF ROBELINE, LOUISIANA

MANAGEMENT'S CORRECTIVE ACTION
FOR CURRENT YEAR AUDIT FINDINGS

Contact Person: Bobby Behan, Mayor

Anticipated Completion Date: June 30, 2019

2018-4 POLICIES AND PROCEDURES

Finding: The village does not have a written policies and procedures manual that addresses budgeting, purchasing, disbursements, receipts, contracting, credit cards/fuel cards, travel and expense reimbursements, ethics or debt service. Good internal controls require that an entity have a written policies and procedures manual that addresses budgeting, purchasing, disbursements, receipts, contracting, credit card/fuel cards, travel and expense reimbursement, ethics and debit service.

Corrective Action: The Village should prepare a written policies and procedures manual that addresses budgeting, purchasing, disbursements, receipts, contracting, credit cards/fuel cards, travel and expense reimbursement, ethics and debt service.

Contact Person: Bobby Behan, Mayor

Anticipated Completion Date: June 30, 2019

VILLAGE OF ROBELINE, LOUISIANA

MANAGEMENT LETTER COMMENTS

During the course of our review, we observed conditions and circumstances that may be improved. Below are findings noted for improvement, our recommendation for improvement and the Village's plan for corrective action.

CURRENT YEAR MANAGEMENT LETTER COMMENTS

No Comments.

VILLAGE OF ROBELINE, LOUISIANA

MANAGEMENT'S SUMMARY OF PRIOR YEAR FINDINGS

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

The management of the Village of Robeline, Louisiana has provided the following action summaries relating to audit findings brought to their attention as a result of their financial compilation for the year ended June 30, 2017.

PRIOR YEAR FINDINGS:

2017-M-1 Negative Fund Balance (General Fund) (Resolved)

Condition: The Village ended the year with a deficit fund balance of \$11,934 because of unpaid payroll taxes from prior years. A negative fund balance is indicative of an entity that cannot meet its short-term obligations.

Client Response: The Village will assess its financial condition and identify methods to reduce expenditures and/or increase revenues.

2017-M-2 Unpaid Payroll Taxes (Resolved)

Condition: The Village has unpaid payroll taxes and penalties owed from previous years. Payroll taxes should be paid in a timely manner to avoid interest and penalties.

Client Response: As of December 5, 2017, the Village is current on all payroll taxes and has abated all penalties associated with the payroll related taxes.

2017-M-3 Long-term Capital Lease without Bond Commission Approval (Resolved)

Condition: The Village entered into a long-term capital lease that did not include a “nonappropriation clause”. Capital leases without a “nonappropriation clause” are considered long-term debt and the Village did not seek approval from the Louisiana Bond Commission to enter into long-term debt. The Village may not incur any indebtedness in excess of 90 days without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, and LSA-RS 47:1803-4.

Client Response: The Village will discontinue entering into long-term capital leases that do not contain a “nonappropriation clause” without Louisiana Bond Commission approval.

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Certified Public Accountants

Association of
Certified Fraud Examiners

AGREED-UPON PROCEDURES REPORT

Village of Robeline, Louisiana

Independent Accountant's Report

On Applying Agreed-Upon Procedures

For the Period of July 1, 2017- June 30, 2018

Village of Robeline
Robeline, Louisiana

To the Village of Robeline and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Village of Robeline and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2017 through June 30, 2018. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
 - g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
 - h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
 - i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 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 all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
 - j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Observation: Management does not have any written policies and procedures that address the above categories and subcategories.

Exception: Management does not have any written policies and procedures that address the above categories and subcategories.

Management's Response: Management will have the council adopt written policies and procedures to address the above categories and subcategories.

Board (or Finance Committee, if applicable)

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

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-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.*
- c) 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.

Observation:

A) The council meets with a quorum at least monthly.

B) Monthly financial statements are presented at each meeting.

Exception: Budget-to-actual comparisons on the general fund are not presented at monthly meetings.

Management's Response: Management will attempt to change its accounting system to produce budget-to-actual comparisons on the general fund.

C) The Village ended last year with a negative unrestricted fund balance of \$11,934. The minutes did not address the deficit.

Exception: The minutes for at least one meeting during the fiscal period did not include a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Management's Response: The deficit has been eliminated in the current fiscal year.

Bank Reconciliations

- 3. Obtain a listing of client 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 selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Observation: We obtained a listing of bank accounts and management's representation that the listing is complete.

A) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date.

B) Bank reconciliations do not include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation.

Exception: Bank reconciliations do not include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation.

Management's Response: The entity will have the mayor or council member initial and date bank reconciliations at monthly meetings.

C) The bank reconciliation has outstanding checks and deposits that are more than 12 months old.

Exception: Management does not have documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date.

Management's Response: The entity will review and clear outstanding checks and deposits that are more than a year old.

Collections

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

Observation: The entity has one collection site, town hall.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
- a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

Observation:

A) Employees responsible for cash collections share cash drawers/registers.

Exception: Employees responsible for cash collections share cash drawers/registers.

Management's Response: Management has only one fulltime employee.

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

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

Management's response: The entity does not have enough employees to implement this procedure.

C) The employee responsible for collecting cash is also responsible for posting collection entries to the general ledger or subsidiary ledgers.

Exception: The employee responsible for collecting cash is also responsible for posting collection entries to the general ledger or subsidiary ledgers.

Management's Response: The entity does not have enough employees to implement this procedure.

D) The employee responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source is also responsible for collecting cash.

Exception: The employee responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source is also responsible for collecting cash.

Management's response: The entity does not have enough employees to implement this procedure.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Observation: Inquiry found that the clerk and the mayor are covered with a surety bond.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe 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).
- e) Trace the actual deposit per the bank statement to the general ledger.

Observation:

A) Receipts are not sequentially pre-numbered.

Exception: Receipts are not sequentially pre-numbered.

Management's Response: The entity will begin to order receipt books that are sequentially numbered.

B) The entity has 2 bank accounts and we randomly selected 2 deposit dates. We traced the system reports to the deposit slip.

C) We traced the deposit slip to the actual deposit.

D) The depository is more than 10 miles from town hall and deposits were made within one week.

E) We traced the deposit to the general ledger.

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

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

Observation: We obtained a listing of locations (one, the town hall) and management's representation that the listing is complete.

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

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
- b) At least two employees are involved in processing and approving payments to vendors.
- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Observation:

A) At least two employees are not involved in initiating a purchase request or placing an order/making the purchase. The mayor approves purchases made by the clerk.

Exception: At least two employees are not involved in initiating a purchase request or placing an order/making the purchase.

Management's Response: The entity does not have enough employees to implement this procedure. The mayor approves all purchases made by the clerk.

B) The mayor and clerk approve all purchases.

C) The mayor and clerk approve all purchases.

Exception: The employee responsible for processing payments is not prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

Management's Response: The entity does not have enough employees to implement this procedure.

D) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is also responsible for processing payments.

Exception: Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is also responsible for processing payments.

Management's Response: The entity does not have enough employees to implement this procedure.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original invoice/billing statement.
- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Observation: We obtained a general ledger of the total population and management's representation that the population is complete. We randomly selected 5 disbursements for the one location and observed the following

- A) The disbursement matched the related original invoice/billing statement.**
- B) The disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable (dual signatures on checks).**

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), 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.

Observation: Management represented that the entity does not have credit cards, bank debit cards, fuel cards or P-cards.

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

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of

certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.])]

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

Not applicable.

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

Not applicable.

Travel and Travel-Related Expense Reimbursements

- 14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Observation:

A) Mileage reimbursement is \$.60 per mile which is higher than the GSA rate of \$.545.

Exception: Mileage reimbursement is \$.055 higher than the GSA rate. One of the reimbursements was calculated as \$351.00 but was reimbursed as \$390.60.

Management's Response: The mileage reimbursement rate of \$.60 per mile was approved by council. The one reimbursement mentioned above was an error.

B) None of the reimbursements were for actual costs.

C) Each reimbursement was supported by documentation.

D) Each reimbursement was not approved, in writing, by someone other than the person receiving the reimbursement.

Exception: Each reimbursement was not approved, in writing, by someone other than the person receiving the reimbursement.

Management's Response: Each of the reimbursements was approved by the mayor at check signing.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Observation: Management represented that they had no open contracts in this fiscal year.

Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Observation: We obtained a listing of employees/elected officials and management's representation that the listing is complete. We randomly selected 5 employees, one was an elected official.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Observation:

A) All employees had daily attendance records except for the elected official. The Village does not accumulate employee leave.

B) The Village clerk reviews attendance time cards.

C) The Village does not accumulate leave.

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

Observation: There were no termination payments made during the fiscal period.

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Observation: Management represented that payroll taxes and other payroll related expenses had been paid and forms filed by the required deadlines.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
- b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Observation:

A) None of the selected employees/officials from procedure #16 completed one hour of ethics training during the fiscal year.

Exception: None of the selected employees/officials from procedure #16 completed one hour of ethics training during the fiscal year.

Management's Response: Employees/officials will be required to complete one hour of ethics training each year

B) The entity does not have a written ethics policy.

Exception: The entity does not have a written ethics policy for employees/officials to read.

Management's Response: The council will adopt a written ethics policy.

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

Observation: Management represented that no new debt was issued during the year.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Observation: Management represented that it had no debt outstanding with debt covenants.

Other

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

Observation: Management represented there were no misappropriations of public funds or assets during the fiscal period.

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

Observation: The entity had the flyer posted on its premises.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

The Vercher Group

Jena, Louisiana
October 23, 2018