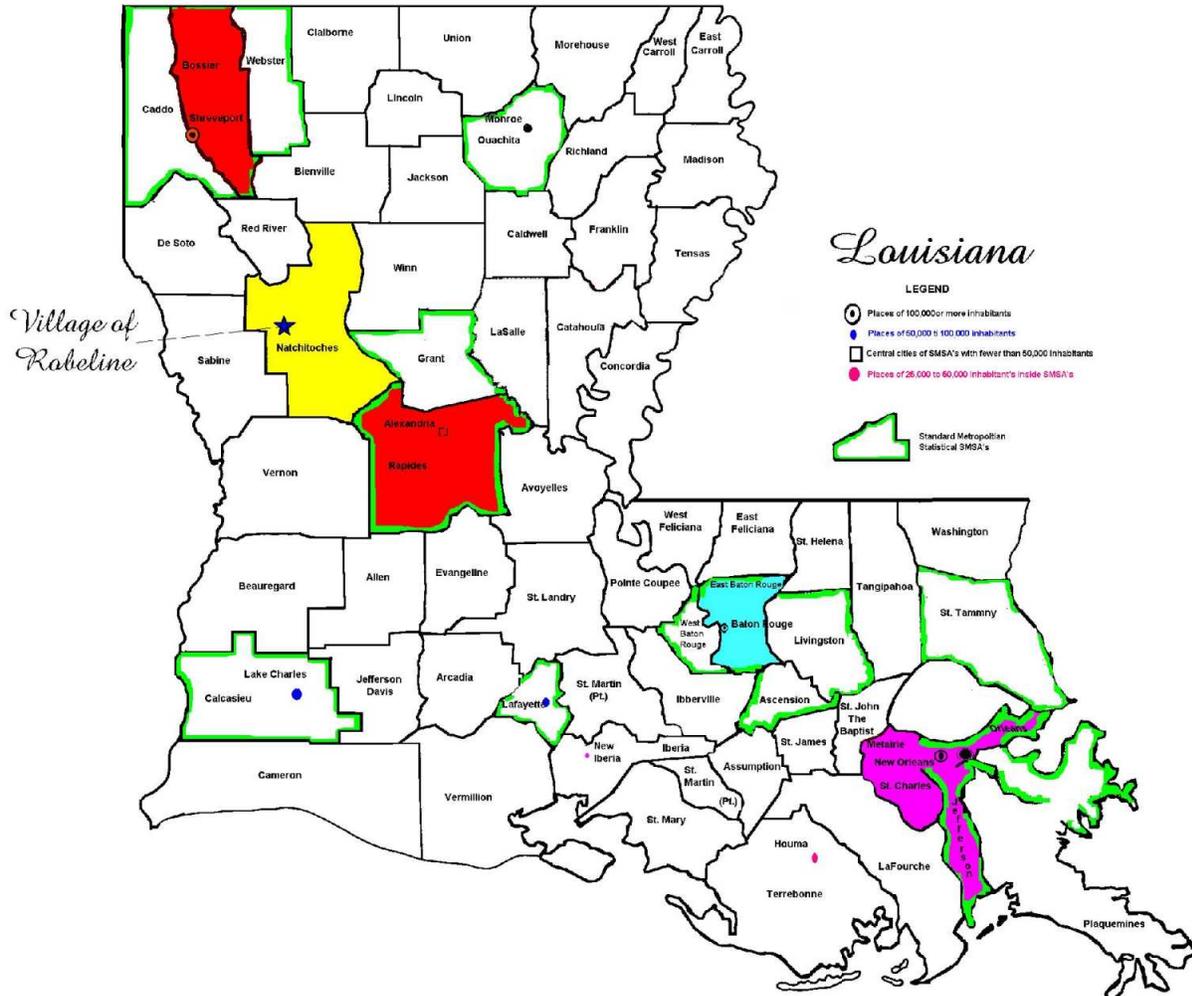


VILLAGE OF ROBELINE, LOUISIANA

Annual Financial Statements

JUNE 30, 2019

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, 2019

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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, 2019, 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, 2019, 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 November 18, 2019, 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

November 18, 2019

Village of Robeline

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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, 2019. 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 \$442,045 (*net position*). This is a \$71,005 increase from last year.
- The Village had total revenue of \$616,762, in which \$530,510 came from fines and forfeitures. This is a \$57,287 decrease from last year's revenues, mainly due to a decrease in fines and forfeitures in the amount of \$38,809.
- The Village had total expenditures of \$711,162, which is a \$251,710 increase from last year, mainly due to an increase in capital outlay in the amount of \$150,348.

Enterprise Funds

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$431,757 (*net position*). This is a \$14,236 decrease from last year.
- The Village had total revenue of \$9,319. This is a \$1,682 decrease from last year.
- The Village had total expenses of \$25,740, including depreciation expense in the amount of \$20,474, which is a non-cash transaction. This is a \$337 increase 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, 2019:

	<u>2018</u>	<u>2019</u>	<u>% Change</u>
Current Assets			
Cash & Cash Equivalents	\$ 179,813	\$ 137,749	-23.4
Receivables (Net)	69,053	30,633	-55.6
Total Current Assets	<u>248,866</u>	<u>168,382</u>	-32.3
Non-Current Assets			
Capital Assets, Net of Accumulated Depreciation	171,570	326,906	90.5
Total Non-Current Assets	<u>171,570</u>	<u>326,906</u>	90.5
Total Assets	<u>420,436</u>	<u>495,288</u>	17.8
Current Liabilities			
Accounts Payable	2,765	18,854	581.9
Accrued Payroll/Payroll Taxes Payable	12,504	12,516	0.1
Notes Payable Due Within One Year	12,253	12,651	3.3
Total Current Liabilities	<u>27,522</u>	<u>44,021</u>	60.0
Non-Current Liabilities			
Notes Payable	21,874	9,222	-57.8
Total Non-Current Liabilities	<u>21,874</u>	<u>9,222</u>	-57.8
Total Liabilities	<u>49,396</u>	<u>53,243</u>	7.8
Net Position			
Net Investment in Capital Assets	137,443	305,033	121.9
Unrestricted	233,597	137,012	-41.4
Total Net Position	<u>\$ 371,040</u>	<u>\$ 442,045</u>	19.1

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, 2019:

	<u>2018</u>	<u>2019</u>	<u>% Change</u>
Revenues			
Fees & Charges	\$ 21,658	\$ 23,812	10.0
Taxes	50,050	56,262	12.4
Fines & Forfeitures	569,319	530,510	-6.8
Miscellaneous	33,022	6,178	-81.3
Total Revenues	<u>674,049</u>	<u>616,762</u>	-8.5
Expenditures			
General:			
Personnel Expense	81,607	82,317	0.9
Contract Labor	33,398	3,467	-89.6
Insurance Expense	7,712	61,659	699.5
Other Administrative	28,138	27,773	-1.3
Event Expense	2,564	10,973	328.0
Utilities	18,001	24,746	37.5
Repairs & Maintenance	2,293	34,712	141.4
Professional	4,900	15,815	222.8
Park Expense	1,310	17,756	1,255.4
Miscellaneous	2,371	1,868	-21.2
Police:			
Auto Expense	21,028	20,073	-4.5
Personnel Expense	157,735	181,815	15.3
Police-Other	11,550	7,836	-32.2
Repairs & Supplies	22,367	18,118	-19.0
Capital Outlay	36,286	186,634	414.4
Debt Service	28,192	15,600	-44.7
Total Expenditures	<u>459,452</u>	<u>711,162</u>	54.8
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>214,597</u>	<u>(94,400)</u>	-144.0
Other Financing Sources (Uses)			
Transfers In/(Out)	481	(2,185)	-554.3
Total Other Financing Sources (Uses)	<u>481</u>	<u>(2,185)</u>	-554.3
Net Change in Fund Balance	215,078	(96,585)	-144.9
Prior Period Adjustment	30,453	-0-	-100.0
Fund Balances - Beginning	<u>(11,934)</u>	<u>233,597</u>	2,057.4
Fund Balances - Ending	<u>\$ 233,597</u>	<u>\$ 137,012</u>	-41.4

MD&A

Comparative Statement of Net Position Enterprise Funds

The following table represents a Comparative Statement of Net Position as of June 30, 2019:

	<u>2018</u>	<u>2019</u>	<u>% Change</u>
Assets			
Cash & Investments	\$ 10,185	\$ 16,013	57.2
Receivables (Net)	820	948	15.6
Restricted Assets	1,941	1,981	2.1
Capital Assets, Net of Accumulated Depreciation	<u>436,033</u>	<u>438,364</u>	0.5
Total Assets	<u>448,979</u>	<u>457,306</u>	1.9
Liabilities			
Accounts, Salaries, & Other Payables	1,045	23,568	2,155.3
Customer Deposits	<u>1,941</u>	<u>1,981</u>	2.1
Total Liabilities	<u>2,986</u>	<u>25,549</u>	755.6
Net Position			
Net Investment in Capital Assets	436,033	438,364	0.5
Unrestricted	<u>9,960</u>	<u>(6,607)</u>	-166.3
Total Net Position	<u>\$ 445,993</u>	<u>\$ 431,757</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, 2019:

	<u>2018</u>	<u>2019</u>	<u>% Change</u>
Operating Revenues	\$ 11,001	\$ 9,194	-16.4
Total Operating Revenues	<u>11,001</u>	<u>9,194</u>	-16.4
Operating Expenses			
Cost of Sales & Services	4,929	5,266	6.8
Depreciation	20,474	20,474	0.0
Total Operating Expenses	<u>25,403</u>	<u>25,740</u>	1.3
Operating Income (Loss)	<u>(14,402)</u>	<u>(16,546)</u>	14.9
Other Financing Sources (Uses)			
Transfers In (Out)	(481)	2,185	554.3
Other Income	-0-	125	100.0
Total Other Financing Sources (Uses)	<u>(481)</u>	<u>2,310</u>	580.3
Increase (Decrease) in Net Position	(14,883)	(14,236)	-4.4
Beginning Net Position	460,876	445,993	-3.2
Ending Net Position	<u>\$ 445,993</u>	<u>\$ 431,757</u>	-3.2

CAPITAL ASSETS & LONG-TERM DEBT

Capital Assets – Governmental Fund

At June 30, 2019, the Village had \$326,906 invested in capital assets, including the following:

	Capital Assets at Year-End	
	<u>2018</u>	<u>2019</u>
Land*	\$ 48,000	\$ 48,000
Building	46,010	46,010
Furniture & Equipment	99,097	112,462
Recreation Facility	51,279	209,048
Vehicles	168,799	184,299
Substation	27,000	27,000
Accumulated Depreciation	(268,615)	(299,913)
Total	<u>\$ 171,570</u>	<u>\$ 326,906</u>

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

MD&A

Capital Assets – Enterprise Fund

At June 30, 2019, the Village had \$438,364 invested in capital assets, including the following:

Capital Assets at Year-End		2018	2019
Sewer System		\$ 905,650	\$ 928,455
Accumulated Depreciation		(469,617)	(490,091)
Totals		\$ 436,033	\$ 438,364

Long-Term Debt

Leases payable at June 30, 2019, are comprised of the following individual issues:

Leases Payable

- 1) \$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%.

	21,873
Total	\$ 21,873

	Balance 6-30-2018	Additions	Principle Paid	Balance 6-30-2019
Police Auto	\$ 34,126	\$ -0-	\$ (12,253)	\$ 21,873
Total	\$ 34,126	\$ -0-	\$ (12,253)	\$ 21,873

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, 2019

	PRIMARY GOVERNMENT		TOTAL
	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	
CURRENT ASSETS			
Cash & Cash Equivalents	\$ 137,749	\$ 16,013	\$ 153,762
Receivables	30,633	948	31,581
TOTAL CURRENT ASSETS	<u>168,382</u>	<u>16,961</u>	<u>185,343</u>
NON CURRENT ASSETS			
Restricted Assets	-0-	1,981	1,981
Capital Assets (Net of Accumulated Depreciation)	326,906	438,364	765,270
TOTAL NON CURRENT ASSETS	<u>326,906</u>	<u>440,345</u>	<u>767,251</u>
TOTAL ASSETS	<u>495,288</u>	<u>457,306</u>	<u>952,594</u>
CURRENT LIABILITIES			
Accounts Payable	18,854	23,568	42,422
Accrued Payroll/Payroll Taxes Payable	12,516	-0-	12,516
Notes Payable Due Within One Year	12,651	-0-	12,651
TOTAL CURRENT LIABILITIES	<u>44,021</u>	<u>23,568</u>	<u>67,589</u>
NON CURRENT LIABILITIES			
Customer Deposits	-0-	1,981	1,981
Notes Payable	9,222	-0-	9,222
TOTAL NON CURRENT LIABILITIES	<u>9,222</u>	<u>1,981</u>	<u>11,203</u>
TOTAL LIABILITIES	<u>53,243</u>	<u>25,549</u>	<u>78,792</u>
NET POSITION			
Net Investment in Capital Assets	305,033	438,364	743,397
Unrestricted	137,012	(6,607)	130,405
TOTAL NET POSITION	<u>\$ 442,045</u>	<u>\$ 431,757</u>	<u>\$ 873,802</u>

The accompanying notes are an integral part of this statement.

Village of Robeline, Louisiana
Balance Sheet, Governmental Funds
June 30, 2019

	GENERAL FUND
ASSETS	
Cash & Cash Equivalents	\$ 137,749
Receivables	30,633
TOTAL ASSETS	168,382
 LIABILITIES	
Accounts Payable	18,854
Accrued Payroll/Payroll Taxes Payable	12,516
TOTAL LIABILITIES	31,370
 FUND BALANCES	
Unassigned	137,012
TOTAL FUND BALANCES	137,012
 TOTAL LIABILITIES & FUND BALANCE	 \$ 168,382

The accompanying notes are an integral part of this statement.

Village of Robeline, Louisiana
Reconciliation of the Government Funds Balance Sheet
to the Government-Wide Financial Statement of Net Position
June 30, 2019

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

Fund Balance, Total Governmental Funds (Statement C)	\$ 137,012
Capital assets used in Governmental Activities are not financial resources and, therefore, are not reported in the Governmental Funds.	326,906
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the Governmental Funds.	Long-Term Debt <u>(21,873)</u>
	<u>(21,873)</u>
Net Position of Governmental Activities (Statement A)	\$ <u>442,045</u>

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, 2019

	<u>GENERAL FUND</u>
REVENUES	
Fees & Charges	\$ 23,812
Taxes	56,262
Fines & Forfeitures	530,510
Miscellaneous	6,178
TOTAL REVENUES	<u>616,762</u>
EXPENDITURES	
General:	
Personnel Expense	82,317
Contract Labor	3,467
Insurance Expense	61,659
Other Administrative	27,773
Event Expense	10,973
Utilities	24,746
Repairs & Maintenance	34,712
Professional	15,815
Park Expense	17,756
Miscellaneous	1,868
Police:	
Auto Expense	20,073
Personnel Expense	181,815
Police-Other	7,836
Repairs & Supplies	18,118
Capital Outlay	186,634
Debt Service	15,600
TOTAL EXPENDITURES	<u>711,162</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER)	
EXPENDITURES	<u>(94,400)</u>
OTHER FINANCING SOURCES (USES)	
Transfers In/(Out)	(2,185)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,185)</u>
NET CHANGE IN FUND BALANCE	(96,585)
FUND BALANCES - BEGINNING	<u>233,597</u>
FUND BALANCES - ENDING	<u>\$ 137,012</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, 2019

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

Net Change in Fund Balances, Total Governmental Funds, Statement E			\$ (96,585)
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	186,634	
	Depreciation Exp.	<u>(31,297)</u>	
			155,337
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	<u>12,253</u>	12,253
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.			<u>-0-</u>
Changes in Net Position of Governmental Activities, Statement B			<u>\$ 71,005</u>

The accompanying notes are an integral part of this statement.

Village of Robeline, Louisiana
Statement of Net Position, Proprietary Funds
June 30, 2019

BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS	
(MAJOR ENTERPRISE FUNDS)	
	SEWER FUND
ASSETS	
CURRENT ASSETS	
Cash	\$ 16,013
Receivables	948
TOTAL CURRENT ASSETS	16,961
NON-CURRENT ASSETS	
Restricted Assets	1,981
Capital Assets (Net of Accumulated Depreciation)	438,364
TOTAL NON-CURRENT ASSETS	440,345
TOTAL ASSETS	457,306
LIABILITIES	
CURRENT LIABILITIES	
Accounts, Salaries, & Other Payables	23,568
TOTAL CURRENT LIABILITIES	23,568
NON CURRENT LIABILITIES	
Customer Deposits	1,981
TOTAL NON CURRENT LIABILITIES	1,981
TOTAL LIABILITIES	25,549
NET POSITION	
Net Investment in Capital Assets	438,364
Unrestricted	(6,607)
TOTAL NET POSITION	\$ 431,757

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, 2019

BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS	
(MAJOR ENTERPRISE FUNDS)	
	SEWER FUND
OPERATING REVENUES	
Charges for Services:	
Sewer Charges	\$ 9,194
TOTAL OPERATING REVENUES	9,194
OPERATING EXPENSES	
Cost of Sales & Services	5,266
Depreciation	20,474
TOTAL OPERATING EXPENSES	25,740
OPERATING INCOME (LOSS)	(16,546)
OTHER FINANCING SOURCES (USES)	
Transfers In (Out)	2,185
Other Income	125
TOTAL OTHER FINANCING SOURCES (USES)	2,310
CHANGE IN NET POSITION	(14,236)
TOTAL NET POSITION - BEGINNING	445,993
TOTAL NET POSITION - ENDING	\$ 431,757

The accompanying notes are an integral part of this statement.

Village of Robeline, Louisiana
Statement of Cash Flows
Proprietary Funds
June 30, 2019

BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS	
(MAJOR ENTERPRISE FUNDS)	
	SEWER FUND
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts From Customers & Users	\$ 9,066
Payments to Suppliers & Employees	17,257
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>26,323</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers From (To) Other Funds	2,185
Other Revenue	125
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>2,310</u>
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES	
Addition of Capital Assets	(22,805)
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	<u>(22,805)</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	5,828
CASH & CASH EQUIVALENTS, BEGINNING OF YEAR	<u>10,185</u>
CASH & CASH EQUIVALENTS, END OF YEAR	<u>16,013</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating Income (Loss)	(16,546)
Depreciation Expense	20,474
(Increase) Decrease in Accounts Receivable	(128)
(Increase) Decrease in Restricted Assets	(40)
Increase (Decrease) in Accounts Payables	22,523
Increase (Decrease) in Customer Deposits	40
TOTAL ADJUSTMENTS	<u>42,869</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 26,323</u>

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, 2019, 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, 2019, the Village of Robeline’s bank balance was \$161,478. Amounts on deposit are secured by the following pledges:

<u>Description</u>	<u>Market Value</u>
FDIC (Category 1)	\$ 161,478
Securities (Category 2)	-0-
Total	<u>\$ 161,478</u>

Deposits were fully secured as of June 30, 2019.

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	\$ 3,480	\$ -0-
Franchise Tax	630	-0-
Property Tax	-0-	-0-
Occupational Licenses	-0-	-0-
Fines	26,523	-0-
Customer	-0-	948
Allowance for Bad Debts	-0-	-0-
Total	\$ 30,633	\$ 948

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, 2019, taxes of 5.09 mills were levied on property with assessed valuations of \$784,620. Total taxes levied were \$3,993 in 2019. 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, 2019, 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	<table border="1" style="border-collapse: collapse;"> <tr> <td style="text-align: center; padding: 2px;">Sewer</td> </tr> <tr> <td style="text-align: center; padding: 2px;">\$ 1,981</td> </tr> </table>	Sewer	\$ 1,981
Sewer			
\$ 1,981			

(4) GOVERNMENTAL FIXED ASSETS

A summary of general fund property, plant and equipment at June 30, 2019, is as follows:

	Balance 6-30-2018	Additions (Deletions)	Balance 6-30-2019
Land*	\$ 48,000	\$ -0-	\$ 48,000
Building	46,010	-0-	46,010
Furniture & Equipment	99,097	13,365	112,462
Recreation Facility	51,279	157,769	209,048
Vehicles	168,799	15,500	184,299
Substation	27,000	-0-	27,000
Total Fixed Assets	440,185	186,634	626,819
Accumulated Depreciation	(268,615)	(31,298)	(299,913)
Total Fixed Assets (Net)	\$ 171,570	\$ 155,336	\$ 326,906

* 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, 2019, is as follows:

<u>Sewer System</u>	<u>Balance 6-30-2018</u>	<u>Additions (Deletions)</u>	<u>Balance 6-30-2019</u>
Plant	\$ 905,650	\$ 22,805	\$ 928,455
Accumulated Depreciation	(469,617)	(20,474)	(490,091)
Total Fixed Assets (Net)	\$ 436,033	\$ 2,331	\$ 438,364

(6) ACCOUNTS, SALARIES, AND OTHER PAYABLES

General Fund

The payables of \$31,370 at June 30, 2019, are as follows:

Accounts Payable	\$ 18,854
Payroll Taxes Payable	12,516
Total	\$ 31,370

Enterprise Fund

The payables of \$23,568 at June 30, 2019, are as follows:

Accounts Payable	\$ 23,568
Total	\$ 23,568

(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, 2019.

	<u>Balance 6-30-2018</u>	<u>Additions</u>	<u>Principle Paid</u>	<u>Balance 6-30-2019</u>
Acme Auto Lease	34,126	-0-	(12,253)	21,873
Total	\$ 34,126	\$ -0-	\$ (12,253)	\$ 21,873

VILLAGE OF ROBELINE, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS-(CONTINUED)

Leases payable at June 30, 2019, are comprised of the following individual issues:

Leases Payable

1. \$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% \$ 21,873

Total \$ 21,873

The annual requirements to amortize all debt outstanding as of June 30, 2019, including interest payments, are as follows:

Year Ending June 30,	Police Auto	Total
2020	\$ 14,400	\$ 14,400
2021	9,600	9,600
2022	-0-	-0-
Total	\$ 24,000	\$ 24,000

(8) ELECTED OFFICIAL'S SALARIES

Name	Title	Term in Office	Annualized Salary
Bobby Behan	Mayor	1/1/15 – 12/31/23	\$ 33,788
Gilda Jenkins	Alderman	1/1/15 – 12/31/23	4,500
Berhen Oge	Alderman	1/1/15 – 12/31/18	4,500
Randall Bockstanz	Alderman	1/1/15 – 12/31/18	4,500
Bubba Ivy	Alderman	1/1/19 – 12/31/23	4,500
Pamela Jennings	Alderman	1/1/19 – 12/31/23	4,500
Gordon O'Con	Chief of Police	1/8/15 – 12/31/23	\$ 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

<u>Transfers From/To Other Funds</u>				
<u>Fund</u>		<u>Transfers In</u>	<u>Transfers Out</u>	<u>Total</u>
General	\$	-0-	\$ (2,185)	\$ (2,185)
Sewer		2,185	-0-	2,185
Total	\$	<u>2,185</u>	<u>\$ (2,185)</u>	<u>\$ -0-</u>

The transfers were made to help pay for expenses.

**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, 2019

	<u>BUDGET AMOUNTS</u>		<u>ACTUAL AMOUNTS BUDGETARY BASIS</u>	<u>BUDGET TO ACTUAL DIFFERENCES FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Fees & Charges	\$ 42,526	\$ 23,100	\$ 23,812	\$ 712
Taxes	8,143	54,823	56,262	1,439
Fines & Forfeitures	522,163	579,416	530,510	(48,906)
Miscellaneous	21,257	2,000	6,178	4,178
TOTAL REVENUES	<u>594,089</u>	<u>659,339</u>	<u>616,762</u>	<u>(42,577)</u>
EXPENDITURES				
General:				
Personnel Expense	301,439	331,666	82,317	249,349
Contract Labor	-0-	72,117	3,467	68,650
Insurance Expense	8,961	61,567	61,659	(92)
Other Administrative	10,909	20,756	27,773	(7,017)
Event Expense	4,873	10,540	10,973	(433)
Utilities	20,211	23,985	24,746	(761)
Repairs & Maintenance	21,016	4,769	34,712	(29,943)
Professional	4,900	15,740	15,815	(75)
Park Expense	26,860	60,977	17,756	43,221
Miscellaneous	6,106	43,010	1,868	41,142
Police:				
Auto Expense	12,750	-0-	20,073	(20,073)
Personnel Expense	-0-	-0-	181,815	(181,815)
Police - Other	23,277	79,726	7,836	71,890
Repairs & Supplies	24,547	-0-	18,118	(18,118)
Capital Outlay	58,816	47,836	186,634	(138,798)
Debt Service	27,560	-0-	15,600	(15,600)
TOTAL EXPENDITURES	<u>552,225</u>	<u>772,689</u>	<u>711,162</u>	<u>61,527</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>41,864</u>	<u>(113,350)</u>	<u>(94,400)</u>	<u>18,950</u>
OTHER FINANCING SOURCES (USES)				
Transfers In/(Out)	-0-	-0-	(2,185)	(2,185)
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>(2,185)</u>	<u>\$ (2,185)</u>
NET CHANGE IN FUND BALANCE			(96,585)	
FUND BALANCES – BEGINNING			<u>233,597</u>	
FUND BALANCES – ENDING			<u>\$ 137,012</u>	

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, 2019

Honorable Bobby Behan, Mayor

Purpose	Amount
Salary	\$ 33,788
Benefits-Insurance	-0-
Benefits-Retirement	-0-
Benefits (Expense Allowance)	-0-
Car Allowance	-0-
Vehicle Provided by Government	-0-
Per Diem	-0-
Reimbursements	-0-
Travel	583
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, 2019, 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 November 18, 2019.

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 as items that we consider to be significant deficiencies (**2019-1 Small Size Entity**).

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: **2019-2 Budget Variance and 2019-3 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

November 18, 2019

**VILLAGE OF ROBELINE
ROBELINE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)
For the Year Ended June 30, 2019**

Section II - Financial Statement Findings

2019-1 Small Size of Entity (Internal Control)

Condition: Because of the small size of the Village and the lack of separation of duties of employees, many of the important elements of good 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 deficiency in internal controls.

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

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

2019-2 Budget Variance (Compliance)

Condition: The Village had an unfavorable revenue variance of \$42,577 or 6.5% in its general fund budget for the year ended June 30, 2019.

Criteria: The Budget Act requires that budgets be amended when the variance exceeds 5%.

Cause of Condition: The Village did not generate as much fine revenue as anticipated.

Potential Effect of Condition: Violation of the Budget Act.

Recommendation: The budget should be amended when there is an unfavorable variance of more than 5%.

Client Response: The budget will be amended when there is an unfavorable variance of more than 5%.

**VILLAGE OF ROBELINE
ROBELINE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)
For the Year Ended June 30, 2019**

Section II - Financial Statement Findings (Continued)

2019-3 Budget Adoption (Compliance)

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: The Village was not aware of the requirements.

Potential Effect of Condition: Violation of the Budget Act.

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

Client Response: When budgeted expenditures exceed \$500,000 in the general fund, the village will make their budget available for public inspection and have it advertised and available in their office journal. The advertisement will include the date, time, and place of the public hearing on the budget.

Section III – Federal Awards Findings and Questioned Costs

Not applicable.

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

FINDINGS:

2019-1 Small Size of 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 good 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: 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, depositing of funds collected, and review of checks written.

Contact Person: Bobby Behan

Anticipated Completion Date: N/A

2019-2 Budget Variance

Finding: The Village had an unfavorable revenue variance of \$42,577 or 6.5% in its general fund budget for the year ended June 30, 2019.

Corrective Action: The budget will be amended when there is an unfavorable variance of more than 5%.

Contact Person: Bobby Behan

Anticipated Completion Date: June 30, 2020

2019-3 Budget Adoption

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

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

Contact Person: Bobby Behan

Anticipated Completion Date: June 30, 2020

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, 2018.

PRIOR YEAR FINDINGS:

2018-1 Old Outstanding Checks (Resolved)

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 (Unresolved)

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.

VILLAGE OF ROBELINE, LOUISIANA

MANAGEMENT'S SUMMARY OF PRIOR YEAR FINDINGS

PRIOR YEAR FINDINGS (CONTINUED):

2018-2 Small Size Entity (Continued)

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.

2018-3 Budget Adoption (Unresolved)

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 Acton: 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.

VILLAGE OF ROBELINE, LOUISIANA

MANAGEMENT'S SUMMARY
OF PRIOR YEAR FINDINGS

PRIOR YEAR FINDINGS (CONTINUED):

2018-4 Policies and Procedures (Resolved)

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.

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.

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American Institute of
Certified Public Accountants

Society of Louisiana
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, 2018- June 30, 2019

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, 2018 through June 30, 2019. 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.
 - k) ***Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Observation: The entity had written policies and procedures that addressed all of the above items except credit cards and disaster recovery/business continuity.

Exception: There were no written policies and procedures addressing credit cards or disaster recovery.

Management's Response: The Village does not have credit cards and is working on policies and procedures to address disaster recovery/business continuity.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund 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 unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Observation:

- A) **The council meets with a quorum at least monthly.**
- B) **Monthly financial statements are presented at each meeting but not budget-to-actual comparisons on the general fund.**

Exception: Budget-to-actual comparison financial statements are not presented at meetings.

Management's Response: The Village's software cannot produce those statements.

- C) **The prior year audit report did not have a negative unassigned fund balance in the general fund.**

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 randomly selected the Month of March 2019 and observed:

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

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

C) There were no outstanding items more than 12 months old.

Collections (excluding EFTs)

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: We obtained a listing of deposit sites (Village Hall) and management's representation that the listing is correct.

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 that are responsible for cash collections share cash drawers/registers.

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

Management's Response: The Village does not have enough employees to implement these procedures.

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 Village does not have enough employees to implement these procedures.

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 Village does not have enough employees to implement these procedures.

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

Management's Response: The Village does not have enough employees to implement these procedures.

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 the clerk and 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: We randomly selected two deposit dates for each of the 5 bank accounts and:

- A) Observed that receipts are sequentially pre-numbered.**
- B) We traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.**
- C) We traced the deposit slip total to the actual deposit per the bank statement.**
- D) We observed 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) We traced the actual deposit per the bank statement 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 that process payments for the fiscal period and management’s representation that the listing is complete (The Village Hall).

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: For each location selected under #8 above, we obtained a listing of those employees involved with non-payroll purchasing and payment functions and obtained the written policies and procedures relating to employee job duties and:

- A) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase (the mayor and clerk).**
- B) At least two employees are involved in processing and approving payments to vendors (the mayor and clerk).**
- 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 (the mayor and clerk).**
- D) The employee/official responsible for signing checks also mails the payments.**

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 randomly selected 5 disbursements and obtained documentation for each transaction and:

- A) Observed that the disbursement matched the related original invoice/billing statement.**
- B) Checks for payment of invoices require dual signatures after review of invoices.**

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) 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.

Observation: These procedures were performed in prior years with no exceptions. These procedures will be rotated to the next fiscal year.

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 (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.

Observation: These procedures were performed in prior years with no exceptions. These procedures will be rotated to the next fiscal year.

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). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Observation: These procedures were performed in prior years with no exceptions. These procedures will be rotated to the next fiscal year.

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

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: We obtained 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. We randomly selected 5 reimbursements and obtained related expense reimbursement documentation and:

A) The mileage reimbursement rate paid was \$.60 per mile while the GSA rate is \$.58.

Exception: The mileage reimbursement rate paid was \$.60 per mile while the GSA rate is \$.58.

Management's Response: The Village will begin using the GSA rate.

B) There were no reimbursements for actual costs.

C) Each reimbursement was supported by documentation.

D) Each reimbursement was reviewed and approved in writing (dual signatures on checks) by someone other than the person receiving the reimbursement.

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: These procedures were performed in prior years with no exceptions. These procedures will be rotated to the next 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: These procedures were performed in prior years with no exceptions. These procedures will be rotated to the next fiscal year.

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: These procedures were performed in prior years with no exceptions. These procedures will be rotated to the next fiscal year.

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: These procedures were performed in prior years with no exceptions. These procedures will be rotated to the next fiscal year.

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: These procedures were performed in prior years with no exceptions. These procedures will be rotated to the next fiscal year.

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) We randomly selected 5 employees and found that only one employee completed the one-hour ethics training during the fiscal period.

Exception: 4 of the 5 employees selected did not complete the one-hour ethics training during the fiscal year.

Management's Response: All employees will be required to take the one-hour ethics training each fiscal year.

- B) There was no documentation demonstrating each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Exception: There was no documentation demonstrating each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Management's Response: Management will keep documentation that each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

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: These procedures were performed in prior years with no exceptions. These procedures will be rotated to the next fiscal 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 (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Observation: These procedures were performed in prior years with no exceptions. These procedures will be rotated to the next fiscal year.

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: These procedures were performed in prior years with no exceptions. These procedures will be rotated to the next fiscal year.

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: These procedures were performed in prior years with no exceptions. These procedures will be rotated to the next fiscal year.

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

November 18, 2019