

VILLAGE OF BONITA, LOUISIANA

*Financial Report
For the Year Ended June 30, 2021*



VILLAGE OF BONITA, LOUISIANA
FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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VILLAGE OF BONITA, LOUISIANA
FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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

I have reviewed the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Bonita, Louisiana (the Village), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

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

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

Accountant's Conclusion

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



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

Substantial Doubt About the Entity's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Village will continue as a going concern. As discussed in Note 8, the Village is behind on payroll taxes and with the current deficits the amount owed has almost doubled each year for the past three years. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 8. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. My conclusion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 7 and page 26, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The information is the responsibility of management. I have reviewed the information and, based on my review, I am not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. I have not audited such required supplementary information, and, accordingly, I do not express an opinion on such information.

Other Information

The accompanying schedule of mayor's and aldermen's compensation and schedule of compensation, reimbursements, benefits, and other payments to agency head on pages 28 and 29, respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information is the representation of management. I have reviewed the information and, based on my review, I am not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. I have not audited the supplementary information and, accordingly, do not express an opinion on such information.

The accompanying justice system funding schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. I have reviewed the information and, based on my review, I am not aware of any material modifications that should be made to the information in order for it to be in accordance with the reporting framework prescribed by Louisiana Revised Statute 24:515.2 and the Louisiana Legislative Auditor. I have not audited the supplementary information and, accordingly, do not express an opinion on such information.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, I have issued a report date May 13, 2022, on the results of our agreed-upon procedures.

Maxwell CPA, LLC

Monroe, Louisiana
May 13, 2022

**REQUIRED SUPPLEMENTAL INFORMATION (PART A)
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**VILLAGE OF BONITA, LOUISIANA
MANAGEMENT’S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021**

As management of the Village of Bonita, Louisiana, we offer readers of the Village of Bonita’s financial statements this narrative overview and analysis of the financial activities of the Village for the year ended June 30, 2021. This discussion and analysis of management is designed to provide an objective and easy-to-read analysis of the Village’s financial activities based on currently known facts, decisions, or conditions. It is intended to provide readers with a broad overview of the Village’s finances. It is also intended to provide readers with an analysis of the short-term and long-term activities of the Village based on information presented in the financial report and fiscal policies that have been adopted by the Village. Specifically, this section is designed to assist the readers in focusing on significant financial issues, provide an overview of the Village’s financial activity, identify changes in the Village’s financial position (its ability to address the next and subsequent years’ challenges), identify any material deviations from the financial plan (approved budget), and identify individual issues or concerns of individual funds.

As with other sections of the financial report, the information contained within the MD&A should be considered only a part of the greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and the other Supplementary Information (“RSI”) that is provided in addition to this Discussion and Analysis of Management.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Village of Bonita’s financial statements. The Village of Bonita’s basic financial statements are comprised of the following components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Government-wide financial statements are designed by GASB Statement No. 34 to change the way in which government financial statements are presented. It now provides readers for the first time with a concise “entity-wide” statement of net position and statement of activities, seeking to give the users of the financial statements a broad overview of the Village of Bonita’s financial position and operations, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Village’s assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. The difference between assets and liabilities is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the village is improving or weakening. Evaluation of the overall economic health of the Village would extend to other nonfinancial factors in addition to the financial information provided in this report.

The statement of activities presents information detailing how the Village’s net position changed during the most recent year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of this statement is to show the financial reliance of the Village’s distinct activities or functions on revenues provided by the citizenry of the Village.

The government-wide financial statements report governmental activities of the Village that are principally supported by tax revenues. Governmental activities include general administrative, sanitation, public safety (police), and public works (streets) services.

FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Village uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Village as a whole with major funds being separately reported.

NOTES TO FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide additional information essential to a full understanding of the government-wide and fund financial statements. The notes begin immediately following the basic financial statements.

In addition to the basic financial statements, the Village also includes in a subsequent section of this report additional information to supplement the basic financial statements.

The Village has two types of funds:

1. Governmental Funds

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Village's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources during the year and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitments of spendable resources for the near term.

2. Proprietary Fund

The proprietary fund is reported in the fund financial statements and generally reports services for which the Village charges customers a fee. The fund essentially encompasses the same functions reported as business-type activities in the government-wide financial statements. Services are provided to customers external to the Village. Proprietary fund financial statements provide both long-term and short-term financial information consistent with the focus provided by the government-wide financial statements, but with more detail.

The following provides a summary of the net position of the Village as of June 30:

	Governmental		Business-Type		Totals	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Current and Other Assets	\$ 18,947	\$ 9,053	\$ 42,178	\$ 42,517	\$ 61,125	\$ 51,570
Capital Assets	<u>365,719</u>	<u>385,241</u>	<u>1,687,382</u>	<u>1,756,183</u>	<u>2,053,101</u>	<u>2,141,424</u>
Total Assets	384,666	394,294	1,729,560	1,798,700	2,114,226	2,192,994
Other Liabilities	53,170	39,193	68,551	63,851	121,721	103,044

Village of Bonita, Louisiana
Management Discussion and Analysis (continued)

Net Position

Invested in Capital Assets	365,719	385,241	1,687,382	1,756,183	2,053,101	2,141,424
Unrestricted	<u>(34,223)</u>	<u>(30,140)</u>	<u>(26,373)</u>	<u>(21,334)</u>	<u>(60,596)</u>	<u>(51,474)</u>
Total Net Position	<u>\$ 331,496</u>	<u>\$ 355,101</u>	<u>\$ 1,661,009</u>	<u>\$ 1,734,849</u>	<u>\$ 1,992,505</u>	<u>\$ 2,089,950</u>

As noted earlier, net position may serve over time as a useful indicator of the Village's financial position. The Village will use the unrestricted net position to meet the ongoing obligations to users of its services and creditors.

The following summarizes the Village's net position changes between the two years ended June 30:

	Governmental		Business-Type		Totals	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues						
Charges for Services	\$ 126,532	\$ 101,897	\$ 145,930	\$ 157,007	\$ 272,462	\$ 258,904
Operating Grants and Contributions	-	10,215	-	-	-	10,215
Capital Grants and Contributions	-	-	15,690	-	15,690	-
General Revenues						
Property Taxes	12,510	10,770	-	-	12,510	10,770
Franchise Taxes	4,575	5,705	-	-	4,575	5,705
Sales Taxes	45,845	43,557	-	-	45,845	43,557
Other General Revenues	<u>11,575</u>	<u>3,781</u>	<u>354</u>	<u>-</u>	<u>11,929</u>	<u>3,781</u>
Total Revenues	201,037	175,925	161,974	157,007	363,011	332,932
Expenses						
General Government	166,785	138,260	-	-	184,705	138,260
Police Protection	49,880	84,214	-	-	31,960	84,214
Public Works	9,953	8,436	-	-	9,953	8,436
Operating Services	<u>-</u>	<u>-</u>	<u>233,838</u>	<u>234,400</u>	<u>233,838</u>	<u>234,400</u>
Total Expenses	<u>226,618</u>	<u>230,910</u>	<u>233,838</u>	<u>234,400</u>	<u>460,456</u>	<u>465,310</u>
Increase (Decrease) in Net Position						
Before Transfers	(25,581)	(54,985)	(71,864)	(77,393)	(97,445)	(132,378)
<u>Transfers</u>	<u>1,976</u>	<u>-</u>	<u>(1,976)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Net Position	<u>\$(23,605)</u>	<u>\$(54,985)</u>	<u>\$(73,840)</u>	<u>\$(77,393)</u>	<u>\$(97,445)</u>	<u>\$(132,378)</u>

Village of Bonita, Louisiana

Management Discussion and Analysis (continued)

The Village's total revenues increased by \$30,079 mainly because of an increase in fine revenue while the total cost of all programs and services decreased by \$4,854. Operating and capital grants totaling \$15,610 were received during the year ended June 30, 2021 while \$10,215 in similar grants was received during the previous fiscal year. The Village's expenses cover a range of services with the majority related to personnel costs.

General revenues are those available for the Village to pay for the governmental activities. For the year ended June 30, 2021, taxes were the largest general revenue source for the Village. Sales taxes were the largest individual tax revenue source.

Program revenues derive directly from the program itself or from parties outside the Village's taxpayers or citizenry. As a whole, they reduce the cost of the function to be financed from the Village's general revenues.

BUSINESS-TYPE ACTIVITIES

Operating expenses of the business-type activities for the year ended June 30, 2021 decreased \$562 from the prior year while revenues generated by charges for services decreased by \$11,077.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As of June 30, 2021, the Village's governmental fund reported an ending fund balance deficit of \$(26,399) an increase of \$3,741 from \$(30,140) as of June 30, 2020. The fund balance of the governmental fund is classified as unassigned as it is available for any purpose.

BUDGETARY HIGHLIGHTS

In accordance with the Louisiana Local Government Budget Act, the Village of Bonita must adopt a budget for the general fund prior to June 30. The original budget was adopted on October 29, 2021, and there were no amendments made to the budget.

CAPITAL ASSETS

As of June 30, 2021, the Village had invested \$2,053,101 in a broad range of capital assets, including land, buildings, vehicles, streets, and water and sewer systems.

Village of Bonita Capital Assets

June 30, 2021

Land	\$ 55,888
Buildings and improvements	115,431
Equipment and vehicles	255,701
Streets and drainage	816,556
Water and sewer system	<u>2,946,416</u>
Total	4,189,992
Less: accumulated depreciation	<u>(2,136,891)</u>
Total Capital Assets	<u>\$ 2,053,101</u>

Village of Bonita, Louisiana

Management Discussion and Analysis (continued)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Total revenue and expenditures in the Village's proposed budget for the General Fund for the year ending June 30, 2022 remained relatively unchanged from those adopted for the year ended June 30, 2021.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village's financial picture for all those with an interest in the Village's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Village Clerk, P. O. Box 278, Bonita, Louisiana 71223.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

VILLAGE OF BONITA, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2021

	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>	
<u>ASSETS</u>			
Cash	\$ 18,947	\$ 17,727	\$ 36,674
Accounts Receivable	-	11,958	11,958
Restricted Assets:			
Certificate of Deposit	-	12,493	12,493
Capital Assets:			
Land	49,130	6,758	55,888
Other Capital Assets, Net of Depreciation	316,589	1,680,624	1,997,213
<u>TOTAL ASSETS</u>	<u>\$ 384,666</u>	<u>\$ 1,729,560</u>	<u>\$ 2,114,226</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 5,635	\$ 3,375	\$ 9,010
Payroll Accruals and Withholdings	39,711	44,177	83,888
Payable from Restricted Assets:			
Customer Deposits	-	20,999	20,999
Current Portion of Long-Term Obligations	2,313	-	2,313
Non-Current Portion of Long-Term Obligations	5,511	-	5,511
<u>TOTAL LIABILITIES</u>	<u>\$ 53,170</u>	<u>\$ 68,551</u>	<u>\$ 121,721</u>
<u>NET POSITION</u>			
Invested in Capital Assets	\$ 365,719	\$ 1,687,382	\$ 2,053,101
Unrestricted	(34,223)	(26,373)	(60,596)
<u>TOTAL NET POSITION</u>	<u>\$ 331,496</u>	<u>\$ 1,661,009</u>	<u>\$ 1,992,505</u>

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

VILLAGE OF BONITA, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	Program Revenues		
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs			
<u>Primary Government:</u>			
Government Activities			
General Government	\$ 166,785	\$ 12,177	\$ -
Police Protection	49,880	114,355	-
Public Works	9,953	-	-
Total Government Activities	226,618	126,532	-
<u>Business-Type Activities:</u>			
Water and Sewer	233,838	145,930	-
<u>Total Primary Government</u>	\$ 460,456	\$ 272,462	\$ -

General Revenues:

Property Taxes
Franchise Taxes
Sales Taxes
Interest Income
Transfers
Other Revenues
Total General Revenues

Changes in Net Position

Net Position - Beginning

Net Position - Ending

Net (Expense) Revenue and Changes in
Net Position of Primary Government

Governmental Activities	Business-Type Activities	Totals
\$ (154,608)	\$ -	\$ (154,608)
64,475	-	64,475
(9,953)	-	(9,953)
<u>(100,086)</u>	<u>-</u>	<u>(100,086)</u>
-	(72,218)	(72,218)
(100,086)	(72,218)	(172,304)
12,510	-	12,510
4,575	-	4,575
45,845	-	45,845
-	354	354
1,976	(1,976)	-
11,575	-	11,575
<u>76,481</u>	<u>(1,622)</u>	<u>74,859</u>
(23,605)	(73,840)	(97,445)
<u>355,101</u>	<u>1,734,849</u>	<u>2,089,950</u>
<u>\$ 331,496</u>	<u>\$ 1,661,009</u>	<u>\$ 1,992,505</u>

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

FUND FINANCIAL STATEMENTS

VILLAGE OF BONITA, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS - GENERAL FUND
JUNE 30, 2021

ASSETS

Cash and Cash Equivalents	<u>\$ 18,947</u>
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LIABILITIES

Accounts Payable	\$ 5,635
Payroll Accruals and Withholdings	39,711
Due To Other Funds	<u>-</u>
Total Liabilities	45,346

FUND BALANCES

Unassigned	<u>(26,399)</u>
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<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$ 18,947</u>
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VILLAGE OF BONITA, LOUISIANA
RECONCILIATION OF GOVERNMENTAL
FUND BALANCES TO STATEMENT OF NET POSITION
JUNE 30, 2021

Total Governmental Fund Balances \$ (26,399)

*Amounts reported for governmental activities
in the statement of net position are different
because:*

Capital assets used in governmental activities
are not financial resources and therefore are not
reported in the funds, net of depreciation. 365,719

Long-term liabilities, including bonds payable, are not due
and payable in the current period and therefore are not
reported in the governmental funds. (7,824)

Net Position of Governmental Activities \$ 331,496

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

VILLAGE OF BONITA, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE
IN FUND BALANCE - GOVERNMENTAL FUNDS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

Revenues

Taxes:

Franchise Tax	\$ 4,575
Ad Valorem Tax	12,510
Sales Tax	45,845
Licenses and Permits	12,177
Intergovernmental Revenues	201
Fines and Forfeitures	114,355
Other Revenues	11,374
Total Revenues	<u>201,037</u>

Expenditures

General Government	137,463
Police Protection	49,880
Public Works	9,953
Debt Service	1,976
Total Expenditures	<u>199,272</u>

Excess of Revenues Over Expenditures 1,765

Other Financing Sources and (Uses)

Transfers In	<u>1,976</u>
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Net Change in Fund Balance 3,741

Fund Balances - Beginning (30,140)

FUND BALANCES - ENDING **\$ (26,399)**

VILLAGE OF BONITA, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Net Change in Fund Balances - Total		
Governmental Funds	\$	3,741

Amounts reported for governmental activities in the statement of activities are different because:

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

Capital Outlay	-		
Depreciation Expense	(29,322)	(29,322)	

The issuance of long-term debt provides current financial resources to governmental funds, while the repayments of the principal of a long-term debt consumes the current financial resources of governmental funds. Neither transactions, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The detail of these differences in the treatment of long-term debt and related items is as follows:

John Deere Financial		1,976
Change in Net Position of Governmental Activities	\$	(23,605)

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

VILLAGE OF BONITA, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUND - WATER AND SEWER FUND
JUNE 30, 2021

ASSETS

Current Assets

Cash and Cash Equivalents	\$	17,727
Receivables, net of allowance		11,958
Total Current Assets		29,685

Restricted Assets

Certificate of Deposit		12,493
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Capital Assets

Land		6,758
Depreciable		3,059,815
Total Capital Assets		3,066,573
Accumulated Depreciation		(1,379,191)
Net Capital Assets		1,687,382

<u>TOTAL ASSETS</u>		\$ 1,729,560
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LIABILITIES

Current Liabilities

Accounts Payable	\$	3,375
Payroll Accruals and Withholdings		44,177
Payable from Restricted Assets:		
Customers' Deposits		20,999
Total Current Liabilities		68,551

NET POSITION

Net Investment in Capital Assets		1,687,382
Unrestricted (Deficit)		(26,373)
<u>TOTAL NET POSITION</u>		\$ 1,661,009

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

VILLAGE OF BONITA, LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION - PROPRIETARY FUND - WATER AND SEWER FUND
FOR THE YEAR ENDED JUNE 30, 2021

Operating Revenues

Charges for Services:	
Water and Sewer	\$ 145,930

Operating Expenses

Contract Labor	30,301
Insurance	12,494
Office	1,304
Maintenance and Repairs	17,085
Salaries	55,962
Supplies	7,761
Taxes - Payroll	6,475
Utilities	17,005
Other Operating Expenses	16,650
Depreciation	68,801
Total Operating Expenses	233,838

Operating Income (Loss) (87,908)

Nonoperating Income (Expense)

Interest Income	354
Grants	15,690
Transfers In (Out)	(1,976)
Total Nonoperating Income (Expense)	14,068

Change in Net Position (73,840)

Net Position - Beginning 1,734,849

NET POSITION - ENDING \$ 1,661,009

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

VILLAGE OF BONITA, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND - WATER AND SEWER FUND
FOR THE YEAR ENDED JUNE 30, 2021

Cash Flows from Operating Activities

Receipts from Customers and Users	\$ 153,253
Payments to Suppliers	(107,669)
Payments to Employees for Services and Benefits	(53,917)
Net Cash Provided by Operating Activities	(8,333)

Cash Flows from Noncapital Financing Activities

Increase in Customer Deposits	1,249
Transfers to Other Funds	(1,976)
Net Cash Provided by Noncapital Financing Activities	(727)

Cash Flows from Capital and Related Financing Activities

Proceeds from Grant	15,690
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Net Increase in Cash and Cash Equivalents

6,630

Cash and Cash Equivalents, Beginning of the Year

11,097

CASH AND CASH EQUIVALENTS AT END OF YEAR

\$ 17,727

Shown on the Accompanying Statement of Net Position as:

Cash	\$ 17,727
Restricted Assets - Cash	-
Total Cash	<u>\$ 17,727</u>

Reconciliation of Operating Loss to Net Cash Provided by Operating Activities

Operating Loss	\$ (87,908)
Adjustments to Reconcile Net Loss to Net Cash Provided by Operating Activities	
Depreciation Expense	68,801
Decrease in Accounts Receivable	7,323
Decrease in Accounts Payable	(5,069)
Increase in Payroll Accruals and Withholdings	8,520
Total Adjustments	<u>79,575</u>

Net Cash Provided by Operating Activities

\$ (8,333)

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

VILLAGE OF BONITA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 1 - Organization and Summary of Significant Accounting Policies

The Village of Bonita, Louisiana (the “Village”), operates under a Mayor-Board of Alderman form of government in accordance with the provisions of the Lawrason Act. Citizens select the mayor (at large) and three council members (by districts) who are each compensated monthly. The Village is located in Northeast Louisiana, its population is approximately 300, and it employs four part-time and two full-time employees along with the mayor and council members. As of June 30, 2021, the Village services approximately 150 utility customers and maintains approximately five miles of street.

The Village provides general administrative, public safety (police), public works (streets), sanitation (water and sewer), and public improvements.

GASB Statement No. 14, *The Reporting Entity*, and No. 39, *Determining Whether Certain Organizations Are Component Units—an amendment of GASB Statement No 14* established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Village is considered a primary government, as it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14 and 39, fiscally independent means that the Village may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt.

GASB Statement No. 61 provides additional criteria for classifying entities as component units. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria includes:

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

Based on the criteria, the Village has determined that Sewer District No. 1 of Village of Bonita, Louisiana, is a component unit of the reporting entity. As required by generally accepted accounting principles (GAAP), these financial statements present the primary government (the Village) and its component unit. The component unit is reported as part of the municipality and blended with the appropriate municipality funds.

Component units that are legally separate from the municipality but are so intertwined with the municipality that they are, in substance, the same as the municipality are blended component units. For a component unit to be blended, the organization’s board

VILLAGE OF BONITA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

and the municipality must be substantively the same, or the organization must provide services entirely or almost entirely to the municipality.

Considered also in the determination of component units of the reporting entity were Tenth Ward Fire Protection District No. 1 of Morehouse Parish, Louisiana, and Tenth Ward Volunteer Fire Department. It was determined that this governmental and volunteer entity, respectively, are not component units for the Village's reporting entity.

The more significant of the Village's accounting policies are described below:

A. Government-Wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the Village as a whole. These statements distinguish governmental activities, generally supported by taxes and general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include 1) charges for services which report licenses, permits, fees, fines, forfeitures, and other charges to users of the Village's services; 2) operating grants and contributions which finance annual operating activities; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitations of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported instead as general revenues.

B. Fund Financial Statements

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

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

The financial statements of the Village are prepared in accordance with GAAP. The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassifications or eliminations of internal activity (between or within funds). However, internal eliminations do not include services provided to Village departments. Reimbursements are reported as reductions to expenses. Proprietary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when

VILLAGE OF BONITA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

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

earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Village considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest related to long-term debt, as well as expenditures related to compensated absences, which are reported as expenditures only when payment is due.

Major revenue sources susceptible to accrual are property taxes, sales taxes, intergovernmental revenues, and water and sewer fees. In general, other revenues are recognized when cash is received.

Operating income reported in the proprietary fund financial statement includes revenues and expenses related to primary, continuing operations of the fund. Principal operating revenues for the proprietary fund are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues are classified as nonoperating in the financial statement.

D. Fund Type and Major Fund

The Village reports the following major governmental fund:

General Fund - the general operating fund of the Village and accounts for all financial resources, except those required to be accounted for in other funds.

The Village reports the following major proprietary fund:

Water and Sewer Fund - accounts for operations where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

VILLAGE OF BONITA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

E. Budgets and Budgetary Accounting

The Village's clerk provided annual budgets for the General Fund and Water and Sewer Fund that were formally adopted in the minutes of the June 28, 2019 meeting of the Board of Aldermen. The annual budgets were prepared in accordance with the basis of accounting utilized by the funds. The Village's clerk is authorized to transfer budgeted amounts within and among departments; however, any revisions that alter the total expenditures resulting from revenues exceeding amounts estimated must be approved by the Board of Aldermen. There were no amendments to the budget during the fiscal year. The supplementary information in the accompanying financial statements includes the original and the final budgeted amounts of the General Fund. All annual appropriations lapse at fiscal year end.

F. Use of Estimates

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

G. Cash and Certificates of Deposit

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

State law allows the Village to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

The certificate of deposit is reported at cost, which approximates market value.

H. Receivables

Significant receivables include sales taxes and amounts due from customers for utility services. Un-billed utility service receivables resulting from utility services rendered from the last date prior to the end of the fiscal year that meters were read to the end of the fiscal year are estimated and included in the amounts recorded as due from utility customers.

I. Uncollectible Allowance

The statements contain no provision for uncollectible accounts. Village management is of the opinion that such allowance would be immaterial in relation to the financial statements taken as a whole.

VILLAGE OF BONITA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

J. Restricted Assets/Liabilities

Meter deposits collected from utility customers are restricted to payment of amounts owed to the Village and/or refunded to the customer upon the customer no longer utilizing the system.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as needed.

K. Interfund Transactions

Transfers and payments within the reporting entity that are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions, or maintaining debt service on a routine basis are reported as transfers between funds of the reporting entity.

L. Capital Assets and Depreciation

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), with useful lives of more than one year are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Village maintains a threshold level of \$5,000 or more for capitalizing capital assets.

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

When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Building Improvements	10-50 Years
Equipment and Vehicles	5-40 Years
Streets and Drainage	50 Years
Water and Sewer System	15-40 Years

VILLAGE OF BONITA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

M. Accumulated Compensated Absences

Allowable annual vacation and sick leave is prescribed by municipal ordinance, based on length of continuous employment by the Village, accrued on an employment anniversary basis, and accrued to specified maximums.

The Village's recognition and measurement criteria for compensated absences follows:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

1. The employees' rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employee for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

GASB Statement No. 16 provides that a liability for sick leave should be accrued using one of the following approaches:

1. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
2. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

No material liability existed as of June 30, 2021 for accrued compensated absences resulting from unused vacation time at the end of the year and no liability was recorded for non-vesting accumulating rights to receive sick pay benefits.

Compensated absences are paid from the fund responsible for the employee's compensation.

N. Equity Classifications

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

1. Invested in capital assets – consists of capital assets net of accumulated depreciation.

VILLAGE OF BONITA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

N. Equity Classifications (continued)

2. Restricted – consists of net assets with constraints placed on their use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) law through constitutional provision or enabling legislation.
3. Unrestricted – consists of all other assets.

In the fund financial statements, governmental fund equity is classified as fund balance. These statements provide more clearly defined fund balance categories to make the nature and extent of the constraints placed on the Village's fund balances more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

1. Non-spendable – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.
2. Restricted – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
3. Committed – amounts constrained to specific purposes by the Village itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the Village takes the same highest level of action to remove or change the constraint.
4. Assigned – amounts that the Village 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.
5. Unassigned – amounts that are available for any purpose; positive amounts are reported only in the General Fund.

O. Revenue Recognition – Property and Sales/Use Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes levied by the Village in September or October are actually billed to the taxpayers in November and are due and payable on and before December 31 of the same year or the unpaid taxes become delinquent. The Village bills and collects its own property taxes using the assessed values determined by the tax assessor of Morehouse Parish.

Sales/use taxes collected and held by other governments at year end on behalf of the Village and those collected by other governments and remitted to the Village within 60 days after December 31 for preceding months are recognized as revenue. The sales/use taxes are collected by Morehouse Sales and Use Tax Commission and remitted to the Village.

VILLAGE OF BONITA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 2 - Cash and Deposits

The following is a summary of cash and deposits of the Village as of June 30, 2021.

Non-Interest-Bearing Demand Deposits	\$	36,674
Time Deposits		12,493
	\$	49,167

Under state law, the 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 always equal the amount on deposit with the fiscal agent. These securities are held jointly in the name of the pledging fiscal agent bank and the Village in a holding or custodial bank that is mutually accepted to both parties.

As of June 30, 2021, the Village had \$49,501 in deposits (collected bank balances). These deposits were adequately secured from risk by \$250,000 of federal deposit insurance.

There were no repurchase or reverse repurchase agreements as of June 30, 2021.

The Village had not formally adopted deposit and investment policies as of June 30, 2021 that limit the Village's allowable deposits or investments and address the specific types of risk to which the Village might be exposed.

Note 3 - Property and Sales Tax

For the year ended June 30, 2021, property taxes of 8.50 mills were authorized and levied for general corporation purposes on property with assessed valuations totaling \$1,432,271. The levy is perpetual.

The following are the principal property taxpayers for the Village:

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>	<u>Property Tax Revenue</u>
Northeast Louisiana Telephone Co.	\$ 393,360	27.5%	\$ 3,344
Union Pacific Corp.	207,340	14.5%	1,762
Tennessee Gas Pipeline	112,353	7.8%	955

Total property taxes levied were \$12,158 as of June 30, 2021.

For the year ended June 30, 2021, 2% of sales and use taxes were levied, 1% for any lawful corporate purposes and 1% support the General Fund.

VILLAGE OF BONITA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 4 - Restricted Assets and Liabilities Payable from Same

Restricted assets of \$12,493 of the Proprietary Fund consist of meter deposits collected from utility customers. A related liability of \$20,999 has been recorded for the payment of amounts that will be owed to the Village and/or refunded to the customer upon the customer no longer utilizing the system.

Note 5 - Capital Assets and Depreciation

Capital assets and depreciation activity as of and for the year ended June 30, 2021 for the Village is as follows:

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 49,130	\$ -	\$ -	\$ 49,130
Capital assets being depreciated:				
Buildings and improvements	\$ 115,431	\$ -	\$ -	\$ 115,431
Equipment and vehicles	132,501	9,800	-	142,301
Streets and drainage	816,556	-	-	816,556
Total capital assets being depreciated	\$ 1,064,488	\$ 9,800	\$ -	\$ 1,074,288
Less accumulated depreciation for:				
Buildings and improvements	\$ 85,538	\$ 2,309	\$ -	\$ 87,847
Equipment and vehicles	95,537	10,681	-	106,218
Streets and drainage	547,302	16,332	-	563,634
Total accumulated depreciation	\$ 728,377	\$ 29,322	\$ -	\$ 757,699
Total capital assets being depreciated, net	<u>\$ 336,111</u>	<u>\$(19,522)</u>	<u>\$ -</u>	<u>\$ 316,589</u>

Depreciation expense of the governmental activities is included in the current function in the statement of activities.

VILLAGE OF BONITA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 5 - Capital Assets and Depreciation (continued)

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021
Business Activities				
Capital assets not being depreciated:				
Land	\$ 6,758	\$ -	\$ -	\$ 6,758
Capital assets being depreciated:				
Water and sewer systems	\$ 2,946,415	\$ -	\$ -	\$ 2,946,415
Equipment and vehicles	113,400	-	-	113,400
Total capital assets being depreciated	\$ 3,059,815	\$ -	\$ -	\$ 3,059,815
Less accumulated depreciation for:				
Water and sewer systems	\$ 1,243,563	\$ 65,625	\$ -	\$ 1,309,188
Equipment and vehicles	66,827	3,176	-	70,003
Total accumulated depreciation	\$ 1,310,390	\$ 68,801	\$ -	\$ 1,379,191
Total capital assets being depreciated, net	\$ 1,749,425	\$(68,801)	\$ -	\$ 1,680,624

Note 6 - Contingencies

As of June 30, 2021, the Village was not aware of any pending or threatened litigation, claims or assessments or unasserted claims or assessments that were required to be accrued or disclosed in these financial statements. Legal counsel had not been consulted by the Village concerning litigation, claims, or assessments.

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The Village carries commercial insurance for all risks of loss, including worker's compensation and employee health and accident insurance. There were no significant reductions in the insurance coverage during the fiscal year. Settlement amounts have not exceeded insurance coverage for the current year or three prior fiscal years.

The Village occasionally participates in state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Village has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of Village management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

VILLAGE OF BONITA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 8 - Going Concern

The Village had a decrease in net position of \$97,095 from government-wide activities during the fiscal year 2021. The Village's General Fund had a deficit in unassigned fund balance of \$26,399 and the Village had past due payroll liabilities of approximately \$84,000. The Village is paying \$500 a month in payroll taxes which isn't enough to cover the current amounts and the payroll liability increased by more than \$30,000 in this fiscal year. The Village has been in communication with the Internal Revenue Service and is working out a plan to catch up these payroll liabilities.

Note 9 - Subsequent Events

In preparing these financial statements, the Village has evaluated events and transactions for potential recognition or disclosure through May 13, 2022, the date the financial statements were available to be issued.

**REQUIRED SUPPLEMENTAL INFORMATION (PART B)
BUDGETARY COMPARISON SCHEDULE**

VILLAGE OF BONITA, LOUISIANA
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
GOVERNMENTAL FUND - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		With Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
Franchise Tax	\$ 4,575	\$ 4,575	\$ 4,575	\$ -
Ad Valorem Tax	11,919	11,919	12,510	591
Sales Tax	41,400	41,400	45,845	4,445
Licenses and Permits	13,432	13,432	12,177	(1,255)
Intergovernmental Revenues	-	-	201	201
Fines and Forfeitures	97,967	97,967	114,355	16,388
Other Revenues	921	921	11,374	10,453
Transfers From Other Funds	-	-	1,976	1,976
Total Revenues	<u>170,214</u>	<u>170,214</u>	<u>203,013</u>	<u>32,799</u>
<u>Expenditures</u>				
Current	326,246	326,246	197,296	128,950
Capital Outlay	-	-	1,976	(1,976)
Total Expenditures	<u>326,246</u>	<u>326,246</u>	<u>199,272</u>	<u>126,974</u>
<u>Net Change in Fund Balance</u>	(156,032)	(156,032)	3,741	159,773
<u>Fund Balance at Beginning of Year</u>	<u>-</u>	<u>-</u>	<u>(30,140)</u>	<u>(30,140)</u>
<u>Fund Balance at End of Year</u>	<u>\$ (156,032)</u>	<u>\$ (156,032)</u>	<u>\$ (26,399)</u>	<u>\$ 129,633</u>

The accompanying notes are an integral part of this schedule.

VILLAGE OF BONITA, LOUISIANA
NOTES TO THE BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2021

Budget Information

The Village uses the following budget practices:

A proposed budget for the General Fund, prepared on the modified accrual basis of accounting, is normally presented to the board of aldermen in June each year. The budget is legally adopted by the board of aldermen and amended during the year as necessary. Budgets are established and controlled by the board at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. There were no budget amendments during the year ended June 30, 2021.

The budget comparison statements included in the accompanying financial statements reflect the original proposed budget. Accounting principles applied for purposes of developing data on a budgetary basis and those used to present financial statements in conformity with generally accepted accounting principles are the same and no adjustment is necessary to convert the actual GAAP data to the budgetary basis.

OTHER SUPPLEMENTARY INFORMATION

VILLAGE OF BONITA, LOUISIANA
SCHEDULE OF MAYOR'S AND ALDERMEN'S COMPENSATION
FOR THE YEAR ENDING JUNE 30, 2021

The schedule of compensation paid to the mayor and aldermen is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the board members is included in the general government expenditures of the General Fund. The mayor and aldermen receive compensation pursuant to Louisiana Revised Statute 404.1.

<u>Name and Title</u>	<u>Amount</u>
Virgil Penn, Mayor	\$ 7,200
Gladdis Glosson, Alderman	3,600
Margarite B. Sampson, Alderman	3,600
Linda Bruce, Alderman	3,600
TOTAL	\$ 18,000

VILLAGE OF BONITA, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDING JUNE 30, 2021

Agency Head Name: Mayor Virgil Penn
July 1, 2020 - June 30, 2021

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 7,200
Reimbursements	1,410

VILLAGE OF BONITA, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2021

2021-01 Inadequate Segregation of Duties

Criteria

Adequate segregation of duties is essential to a proper internal control structure.

Condition

The segregation of duties is inadequate to provide effective internal control.

Cause

The condition is due to economic limitations of the Village.

Effect

Not determined.

Recommendation

The Village should use the contracted accounting firm to help minimize the risk of errors and irregularities that occur from inadequate segregation of duties.

Management's Response and Planned Corrective Action

We are unable to effect an ideal segregation due to limited staffing. However, we will continue to implement the recommendations as we are able.

2021-02 Net Operating Loss in Proprietary Fund

Criteria

The Village should fix and maintain rates and collect charges for all services and facilities to be rendered by the water and sewer system sufficient to provide for the payment of the reasonable and necessary expenses of administration, operation, and maintenance of the system.

Condition

The Village's Proprietary Fund continues to incur operating losses each fiscal year, the current operating loss being \$87,908.

Cause

The current rate structure is insufficient to provide for the payment of the reasonable and necessary expenses of administration, operation, and maintenance of the water and sewer system.

Operating revenues of the Proprietary Fund for the year ended June 30, 2021 were \$145,930 and operating expenses were \$233,838.

Effect

The Village continues to incur operating losses.

Recommendation

The Village should consider increasing rates that will be sufficient to provide for the reasonable and necessary expenses of operating and maintaining the system. Also, the Village should monitor the Proprietary Fund's budget to minimize the risk of operating expenses exceeding revenues generated by the system.

VILLAGE OF BONITA, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2021 (continued)

2021-02 Net Operating Loss in Proprietary Fund (continued)

Management's Response and Planned Corrective Action

In July 2019 the Village approved an increase in water and sewer rates based on a study done to determine what the rate should be. The Village will continue to evaluate the operations of the utilities and monitor income and expenses.

2021-03 Noncompliance with Local Government Budget Act

Criteria

Louisiana Revised Statute 39:1311 requires that the Village budget should be amended if there is a 5% or greater overage in budgeted revenues as compared to actual revenues or a 5% or greater overage in actual expenditures as compare to budgeted expenditures.

Condition

For the year ended June 30, 2021, the Village's General Fund actual expenditures exceeded its budgeted expenditures by more than 5%.

Cause

The Village didn't amend the budget to reflect the increase in expenditures during the year.

Effect

The Village is in violation of the Local Government Budget Act and the related statutes.

Recommendation

The Village should monitor the budget so that it can be amended as needed. The contracted accounting firm should assist the Village with budget amendments.

Management's Response and Planned Corrective Action

The Village will closely monitor its revenues and expenditures and compare regularly to the budget and make the proper amendments.

2021-04 Inadequate Purchase Procedures

Criteria

Management is responsible for establishing and implementing internal control policies and procedures to ensure that purchases are (1) reasonable and necessary; (2) budgeted; (3) documented and approved; (4) received and safeguarded; and (5) used solely for the public purposes/functions of the Village.

Condition

The Town's purchase order procedures state that any purchase greater than \$300 should have a purchase order and be signed by the mayor or a board member. During the review procedures not one invoice over \$300 had a purchase order.

VILLAGE OF BONITA, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2021 (continued)

2021-04 Inadequate Purchase Procedures (continued)

Condition (continued)

Checks require only one signature and the majority of the time that one signature is that of the Village's Clerk, except for payroll, for which the Mayor is the only signature the majority of the time.

Cause

Management of the Village has not accepted the value of establishing internal control policies and requiring all employees' adherence thereto.

Effect

The failure to establish or to adhere to internal control policies and procedures could result in a loss of assets from transactions that are not in accordance with management's authorization.

Recommendation

Management needs to adhere to the Village's purchase order system that requires certain documentation to be generated before a purchase can be made and before a disbursement is made. Payments to vendors should not be made until adequate supporting documentation and evidence of receipt have been provided. Although the Board of Aldermen approve the payment of bills at each monthly meeting, the mayor or a member of the board should personally review all bills before payment.

Management's Response and Planned Corrective Action

We have implemented a purchase order system and will continue to review and evaluate the procedures with the guidelines. Any purchase made for \$300 or more is required to have a purchase order and to be signed by the Mayor or a Board Member. The Mayor does use a signature stamp from time to time and also signs off. Only emergency situations will be accepted in this case. We do sometimes have invoices that are over the amount set because an emergency situation has occurred. We will continue to monitor.

2021-05 Untimely Payments

Criteria

Payroll and related costs are generally the largest expenditures of the Village. Therefore, it is of utmost importance that payroll tax deposits are timely made.

Condition

As of June 30, 2021, the Village was behind on payroll taxes of approximately \$84,000.

Cause

Funds necessary to pay the payroll taxes when originally due were not available.

Effect

The untimely payment of the payroll related taxes and withholdings may result in the assessment of penalties and interest at rates set by law.

VILLAGE OF BONITA, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2021 (continued)

2021-05 Untimely Payments (continued)

Recommendation

The Village should get assistance from its consulting CPA to make sure that all payroll taxes are paid timely to avoid additional costs related to late payments.

Management's Response and Planned Corrective Action

The consulting CPA will assist the Village in catching up payroll taxes that are due and working with the Internal Revenue Service on penalties and interest.

2021-06 Utility Fund Billings/Collections

Criteria

Water and sewer billings are the largest source of revenue for the Proprietary Fund and require adequate controls for the accounting and processing of these billings and collections.

Condition

The accounts receivable balance in the general ledger is not reconciled monthly with the detailed accounts receivable customer listing. The units of water produced are not reconciled monthly with the units of water billed to customers.

Cause

The Village wasn't sure how to reconcile between the billing software and the general ledger.

Effect

Not reconciling the detailed accounts receivable customer listing to the balance in the general ledger on a monthly basis is a fraud risk factor.

Not reconciling production with units consumed (billed) may result in oversight of significant water line leaks, inaccurate meters or meter readings, and unauthorized or non-metered water usage.

Recommendation

The Water and Sewer accounts receivable balance recorded in the general ledger should agree to the accounts receivable balance recorded in the utility billing software at the end of each month. This reconciliation will help ensure that all billings, customer payments, and adjustments are properly recorded.

Management's Response and Planned Corrective Action

The Village has hired a utility billing clerk to help with the billing and collecting duties. The Village also hired an outside accounting firm to assist with all accounting functions including reconciling accounts receivable to the general ledger.

VILLAGE OF BONITA, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2021 (continued)

2021-07 Compliance with Annual Filing Deadline

Criteria

Louisiana Revised Statute 24:513 requires timely filing of annual reports within six months after the end of the fiscal year.

Condition

The Village did not timely file its annual reports for the year ending June 30, 2021.

Cause

The Village did not file its report for June 30, 2021 within the extended time allowed for the fiscal year to submit its financial statements to the Louisiana Legislative Auditor.

Effect

The Village was not in compliance with state statute.

Recommendation

The Village should work with its outside accounting firm to get the financial information ready earlier so that it can be submitted to the Legislative Auditor in a timely manner.

Management's Response and Planned Corrective Action

In the future the Village will work with its contracted accounting firm to make sure that all financial information is available earlier in the year.

2021-08 Traffic Ticket Disbursements

Criteria

State law requires fees to be assessed on traffic citations and paid to appropriate agencies.

Condition

The Village did not assess the appropriate fees on traffic citations and therefore did not make all the proper disbursements to agencies as required by state law.

Cause

The Village is unfamiliar with some laws regarding traffic citations.

Effect

The Village is not in compliance with state law.

Recommendation

The Village should review laws and guidance regarding traffic citations and mayors court to become familiar with all assessments required on traffic tickets.

VILLAGE OF BONITA, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2021 (continued)

2021-08 Traffic Ticket Disbursements (continued)

Management's Response and Planned Corrective Action

The Village will review the information provided by the Louisiana Legislative Auditor, guidance on LMA's website, and any other available resources to become familiar with the requirements of writing traffic citations.

2021-09 Compliance with State Law for Long-Term Debt

Criteria

State law requires approval from the State of Louisiana's Bond Commission before the Village enters into any long-term debt.

Condition

The Village did not obtain State Bond Commission approval before incurring debt to purchase equipment.

Cause

The Village needed a new mower and was unaware that state law requires approval from the Bond Commission to finance the equipment.

Effect

The Village was not in compliance with state law.

Recommendation

The Village should make sure it receives approval for any long-term debt.

Management's Response and Planned Corrective Action

In the future the Village will ensure that approval is requested from the State of Louisiana's Bond Commission before incurring any long-term debt.

VILLAGE OF BONITA, LOUISIANA
STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021

2020-01 Inadequate Segregation of Duties

Condition Found

The segregation of duties is inadequate to provide effective internal control.

Effect

Not determined.

Recommendation to Prevent Future Occurrences

The Village should use the contracted accounting firm to help minimize the risk of errors and irregularities that occur from inadequate segregation of duties.

Current Status

The finding was repeated as finding 2021-01.

2020-02 Net Operating Loss in Proprietary Fund

Condition Found

The Village's Proprietary Fund continues to incur operating losses each fiscal year, the current operating loss being \$77,393.

Effect

The Village continues to incur operating losses.

Recommendation to Prevent Future Occurrences

The Village should consider increasing rates that will be sufficient to provide for the reasonable and necessary expenses of operating and maintaining the system. Also, the Village should monitor the Proprietary Fund's budget to minimize the risk of operating expenses exceeding revenues generated by the system.

Current Status

The finding was repeated as finding 2021-02.

2020-03 Noncompliance with Local Government Budget Act

Condition Found

For the year ended June 30, 2020 the Village's General Fund actual expenditures exceeded its budgeted expenditures by more than 5%.

Effect

The Village is in violation of the Local Government Budget Act and the related statutes.

Recommendation to Prevent Future Occurrences

The Village should monitor the budget so that it can be amended as needed. The contracted accounting firm should assist the Village with budget amendments.

Current Status

The finding was repeated as finding 2021-03.

VILLAGE OF BONITA, LOUISIANA
STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021 (continued)

2020-04 Inadequate Purchase Procedures

Condition Found

The Town's purchase order procedures state that any purchase greater than \$300 should have a purchase order and be signed by the mayor or a board member. During the review procedures not one invoice over \$300 had a purchase order.

Checks require only one signature and the majority of the time that one signature is that of the Village's Clerk, except for payroll, for which the Mayor is the only signature the majority of the time.

Effect

The failure to establish or to adhere to internal control policies and procedures could result in a loss of assets from transactions that are not in accordance with management's authorization.

Recommendation to Prevent Future Occurrences

Management needs to adhere to the Village's purchase order system that requires certain documentation to be generated before a purchase can be made and before a disbursement is made. Payments to vendors should not be made until adequate supporting documentation and evidence of receipt has been provided. Although the Board of Aldermen approve the payment of bills at each monthly meeting, the mayor or a member of the board should personally review all bills before payment.

Current Status

The finding was repeated as finding 2021-04.

2020-05 Untimely Payments

Condition Found

As of June 30, 2020, the Village was behind on payroll taxes the last three quarters of the fiscal year which is approximately \$50,000.

Effect

The untimely payment of the payroll related taxes and withholdings may result in the assessment of penalties and interest at rates set by law.

Recommendation to Prevent Future Occurrences

Payroll taxes should be paid timely to avoid additional costs related to late payments.

Current Status

The finding was repeated as finding 2021-05.

2020-06 Utility Fund Billings/Collections

Condition Found

The accounts receivable balance in the general ledger is not reconciled monthly with the detailed accounts receivable customer listing. The units of water produced are not reconciled monthly with the units of water billed to customers.

VILLAGE OF BONITA, LOUISIANA
STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021 (continued)

2020-06 Utility Fund Billings/Collections (continued)

Effect

Not reconciling the detailed accounts receivable customer listing to the balance in the general ledger on a monthly basis is a fraud risk factor.

Not reconciling production with units consumed (billed) may result in oversight of significant water line leaks, inaccurate meters or meter readings, and unauthorized or non-metered water usage.

Recommendation to Prevent Future Occurrences

The Water and Sewer accounts receivable balance recorded in the general ledger should agree to the accounts receivable recorded in the utility billing software at the end of each month. This reconciliation will help ensure that all billings, customer payments, and adjustments are properly recorded.

Current Status

The finding was repeated as finding 2021-06.

2020-07 Compliance with Annual Filing Deadline

Condition Found

The Village did not timely file its annual reports for the year ending June 30, 2020.

Effect

The Village was not in compliance with state statute.

Recommendation to Prevent Future Occurrences

The Village should work with its outside accounting firm to get the financial information ready earlier so that it can be submitted to the Legislative Auditor in a timely manner.

Current Status

The finding was repeated as finding 2021-07.

Justice System Funding Schedule - Collecting/Disbursing Entity

As Required by Act 87 of the 2020 Regular Legislative Session

Identifying Information		
Entity Name	Village of Bonita	
LLA Entity ID # (This is the ID number assigned to the entity by the Legislative Auditor for identification purposes and will be filled out by your auditor.)	2349	
Date that reporting period ended (mm/dd/yyyy)	06/30/2021	
	First Six Month Period Ended 12/31/2020	Second Six Month Period Ended 06/30/2021
Cash Basis Presentation		
Beginning Balance of Amounts Collected (i.e. cash on hand)	-	-
Add: Collections (Please enter zeros if no activity within a certain collection type)		
Civil Fees (including refundable amounts such as garnishments or advance deposits)	-	-
Bond Fees	-	-
Asset Forfeiture/Sale	-	-
Pre-Trial Diversion Program Fees	-	-
Criminal Court Costs/Fees	17,702	38,076
Criminal Fines - Contempt	-	-
Criminal Fines - Other	15,354	28,610
Restitution	-	-
Probation/Parole/Supervision Fees	-	-
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	-	-
Interest Earnings on Collected Balances	-	-
Other (do not include collections that fit into more specific categories above)	-	-
Subtotal Collections	33,056	66,686
Less: Disbursements To Governments & Nonprofits: (Must include one agency name and one collection type on each line and may require multiple lines for the same agency if more than one collection type is applicable. Additional rows may be added as necessary.)		
Trial Court Case Management Information System Criminal Court Cost/Fees	603	288
Agency name/collection type	-	-
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection (enter zero if no activity to report here)	-	-
Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount (enter zero if no activity to report here)	32,453	66,398
Amounts "Self-Disbursed" to Collecting Agency (must include a separate line for each collection type, as applicable) - Example: Criminal Fines - Other (To be reported as a separate line per collection type under this heading, multiple rows may be needed)	-	-
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies (Please enter zeros if no activity within a certain line item)		
Civil Fee Refunds	-	-
Bond Fee Refunds	-	-
Restitution Payments to Individuals (additional detail is not required)	-	-
Other Disbursements to Individuals (additional detail is not required)	-	-
Payments to 3rd Party Collection/Processing Agencies	-	-
Subtotal Disbursements/Retainage	33,056	66,686
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	-	-
Ending Balance of "Partial Payments" Collected but not Disbursed (only applies if collecting agency does not disburse partial payments until fully collected) - This balance is included in the Ending Balance of Amounts Collected but not Disbursed/Retained above.	-	-
Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected (i.e. receivable balance)	-	-
Total Waivers During the Fiscal Period (i.e. non-cash reduction of receivable balances, such as time served or community service)	-	-



INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

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

I have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the Village of Bonita (the Village) and the Louisiana Legislative Auditor, on the Village's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2021, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Village is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed 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 parties. Consequently, I make no representation regarding the sufficiency of the procedures enumerated 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:

Public Bid Law

1. Obtain documentation for all expenditures made during the year for material and supplies exceeding \$30,000, and public works exceeding \$250,000. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1755 (the state procurement code) or R.S.38:2211-2296 (the public bid law), or the regulations of the Division of Administration and the State Purchasing Office, whichever is applicable; and report whether the expenditures were made in accordance with these laws.

The Village had no expenditures for materials and supplies exceeding \$30,000 and no expenditures exceeding \$250,000 for public works.

Code of Ethics for Public Officials and Public Employees

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

Management provided me with the requested information.



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

Management provided me with the requested information.

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

None of the employees included on the list of employees provided by management in agreed-upon procedure #3 appeared on the list provided by management in agreed-upon procedure #2 as immediate family members.

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

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

Budgeting

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

Management provided me with a copy of the original budget. There were no amendments to the budget in the fiscal year.

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

The budget was adopted on October 29, 2021 which is not in compliance with the Local Government Budget Act (R.S. 39:1305.D).

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

I compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual expenditures for the year exceeded budgeted amounts by more than 5%.

Accounting and Reporting

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

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

I examined supporting documentation for each of the selected disbursements and found that payment was for the proper amount and made to the correct payee.

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

All of the disbursements were properly coded in the general ledger.

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

Inspection of documentation supporting each of the selected disbursements indicated approvals from proper authorities but there were instances when there should have been purchase orders, but they were not done. Upon inquiry of the Town Clerk it was discovered that purchase orders were not done for the 2021 fiscal year. Each of the disbursements was traced to the supporting documentation.

Meetings

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

The Village is only required to post a notice of each meeting and the accompanying agenda on the door of Town Hall. The Village complied with this requirement.

Debt

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

The Village incurred debt to purchase a new mower without getting approval from the State Bond Commission. I scanned copies of all bank deposit slips for the fiscal year and noted no other deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

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

I scanned payroll disbursements and read the council meeting minutes of the Village for the year. I found no payments or approval for payments to employees that would constitute bonuses, advances, or gifts.

State Audit Law

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

The Village's report was not submitted by the due date of December 31, 2021.

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

Management represented that the Village did not enter into any contracts that utilized state funds or that were subject to the public bid law, while not in compliance with R.S. 24:513 (the audit law).

Prior-Year Comments

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

My prior year report, dated May 3, 2021, included an exception for a greater than 5% variance in budgeted revenues over actual revenues and actual expenditures over budgeted expenditures. The report also included an exception for not filing the Village's financial report timely. Both exceptions were repeated in this agreed-upon procedures report.

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

The purpose of this report is solely to describe the scope of testing performed on the Village's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Maxwell CPA, LLC

Monroe, Louisiana
May 13, 2022

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governmental Agencies)

4/8/22

Maxwell CPA, LLC
8649 Hwy 165 N, Ste 2
Monroe, LA 71203

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of June 30, 2021 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Public Bid Law

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

Yes No N/A

Code of Ethics for Public Officials and Public Employees

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

Yes No N/A

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

Yes No N/A

Budgeting

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

Yes No N/A

Accounting and Reporting

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

Yes No N/A

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

Yes No N/A

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

Yes No N/A

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

Yes No N/A

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

Yes No N/A

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

Yes No N/A

Meetings

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

Yes No N/A

Debt

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

Yes No N/A

Advances and Bonuses

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

Yes No N/A

Prior-Year Comments

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

Yes No N/A

General

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

Yes No N/A

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

Yes No N/A

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

Yes [x] No [] N/A []

]

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

Yes [x] No [] N/A []

]

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

Yes [x] No [] N/A []

]

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

Yes [x] No [] N/A []

]

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

Yes [x] No [] N/A []

]

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

Yes [x] No [] N/A []

]

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

Samuel M. ... Secretary Clerk 4/8/02 Date

Hon. Dingit Perm Mayor Treasurer _____ Date

Hon. Dingit Perm Mayor President 04-08-22 Date