

Village of Mooringsport, Louisiana
Financial Statements with Auditors' Report
As of and for the Year Ended June 30, 2023

Village of Mooringsport, Louisiana
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Independent Auditors' Report

The Honorable Mayor, William G. Moore
and the Village Council
Village of Mooringsport
Mooringsport, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Mooringsport, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Village of Mooringsport's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Village of Mooringsport, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village of Mooringsport and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village of Mooringsport's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 26 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, 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.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Mooringsport's basic financial statements. The other supplementary information schedules listed in the table of contents and shown on pages 27 – 28 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. As disclosed in Note 1 to the financial statements, the Village of Mooringsport prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. The other supplementary information schedule, Justice System Funding Schedule, shown on page 29, is presented for the purposes of additional analysis and is not a required part of the basic financial statements. This schedule is presented to satisfy the requirements of Act 87 of the 2020 Regular Legislative Session (R.S. 24:515.2) and must be presented on the cash basis of accounting which differs significantly from those principles used to present financial statements in accordance with accounting principles generally accepted in the United States of America. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Justice System Funding Schedule, shown on page 29, is fairly stated in all material respects, in relation to the 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 December 18, 2023, on our consideration of the Village of Mooringsport, Louisiana'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 solely 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 the effectiveness of the Village of Mooringsport's 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 Mooringsport's internal control over financial reporting and compliance.



Cook & Morehart
Certified Public Accountants
December 18, 2023

Village of Mooringsport
Mooringsport, Louisiana
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash	\$ 54,412	\$ 34,676	\$ 89,088
Investments	99,615		99,615
Receivables	72,601	36,337	108,938
Prepaid items		2,181	2,181
Internal balances	16,323	(16,323)	
Restricted cash - customer deposits		781	781
Restricted investments - customer deposits		48,098	48,098
Capital assets not being depreciated	86,819	5,307	92,126
Depreciable capital assets, net	387,467	954,353	1,341,820
Total Assets	717,237	1,065,410	1,782,647
Liabilities			
Accounts payable and accrued expenses	14,937	9,771	24,708
Payable from restricted assets:			
Customer deposits		48,879	48,879
Total liabilities	14,937	58,650	73,587
Deferred inflows of resources - leases	55,004		55,004
Net Position			
Net investment in capital assets	474,286	959,660	1,433,946
Unrestricted	173,010	47,100	220,110
Total net position	\$ 647,296	\$ 1,006,760	\$ 1,654,056

The accompanying notes are an integral part of this statement.

Village of Mooringsport
Mooringsport, Louisiana
Statement of Activities
For the Year Ended June 30, 2023

	<u>Program Revenues</u>				<u>Net (Expenses) Revenue and Changes in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Functions/Programs:							
Governmental activities:							
General government	\$ 220,486	\$ 31,139	\$	\$ 45,254	\$ (144,093)	\$	\$ (144,093)
Public safety	127,417	99,837			(27,580)		(27,580)
Total governmental activities	<u>347,903</u>	<u>130,976</u>		<u>45,254</u>	<u>(171,673)</u>		<u>(171,673)</u>
Business-type activities							
Water and Sewer	427,250	343,982	111,339			28,071	28,071
Total business-type activities	<u>427,250</u>	<u>343,982</u>	<u>111,339</u>			<u>28,071</u>	<u>28,071</u>
Total government	<u>\$ 775,153</u>	<u>\$ 474,958</u>	<u>\$ 111,339</u>	<u>\$ 45,254</u>	<u>\$ (171,673)</u>	<u>28,071</u>	<u>(143,602)</u>
General revenues:							
					24,891		24,891
					88,452		88,452
					40,962		40,962
					7,881		7,881
					3,594	906	4,500
					33,803		33,803
					<u>199,583</u>	<u>906</u>	<u>200,489</u>
					27,910	28,977	56,887
					619,386	977,783	1,597,169
					<u>\$ 647,296</u>	<u>\$ 1,006,760</u>	<u>\$ 1,654,056</u>

The accompanying notes are an integral part of this statement.

Village of Mooringsport
Mooringsport, Louisiana
Balance Sheet
Governmental Fund
June 30, 2023

Assets	<u>General</u>
Cash	\$ 54,412
Investments	99,615
Receivables	72,601
Due from other funds	<u>16,323</u>
Total Assets	<u><u>\$ 242,951</u></u>
Liabilities and Fund Balance	
Liabilities:	
Accounts payable and accrued expenses	<u>\$ 14,937</u>
Total Liabilities	<u>14,937</u>
Deferred inflows of resources - leases	<u>55,004</u>
Fund balance:	
Assigned for cemetery	62,527
Unassigned	<u>110,483</u>
Total Fund Balance	<u>173,010</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	<u><u>\$ 242,951</u></u>

The accompanying notes are an integral part of this statement.

Village of Mooringsport
Mooringsport, Louisiana
Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
June 30, 2023

Fund Balance - Governmental Fund	\$ 173,010
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Amounts reported for government 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 governmental funds.	<u>474,286</u>
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Net Position of Governmental Activities	<u><u>\$ 647,296</u></u>
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The accompanying notes are an integral part of this statement.

Village of Mooringsport
Mooringsport, Louisiana
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
For the Year Ended June 30, 2023

Revenues:	<u>General</u>
Taxes	
Sales tax	\$ 88,452
Franchise tax	40,962
Ad Valorem	24,891
Intergovernmental revenue - grants	45,254
Licenses and permits	31,139
Fines and forfeitures	99,837
Lease income	7,881
Investment earnings	3,594
Other revenues	33,803
Total revenues	<u>375,813</u>
Expenditures:	
Current	
General government	200,236
Public safety	127,417
Capital outlay	145,463
Total expenditures	<u>473,116</u>
Net change in fund balance	(97,303)
Fund balance, beginning of year	<u>270,313</u>
Fund balance, end of year	<u>\$ 173,010</u>

The accompanying notes are an integral part of this statement.

Village of Mooringsport
 Mooringsport, Louisiana
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in the Fund Balance of the Governmental Fund to the Statement of Activities
 For the Year Ended June 30, 2023

Net change in fund balance - governmental fund	\$	(97,303)
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Government 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. This is the amount by which capital outlays \$(145,463) exceed depreciation \$(20,250) in the current period.</p>		
		125,213
Change in Net Position of Governmental Activities	\$	<u>27,910</u>

The accompanying notes are an integral part of this statement.

Village of Mooringsport
Mooringsport, Louisiana
Statement of Net Position
Proprietary Fund
June 30, 2023

	Business-Type Activities Enterprise Fund
	Water and Sewer Fund
Assets	
Current assets	
Cash	\$ 34,676
Restricted cash - customer deposits	781
Restricted investments - customer deposits	48,098
Receivables	36,337
Prepaid expenses	2,181
Total current assets	122,073
Noncurrent assets	
Capital assets not being depreciated	5,307
Depreciable capital assets, net	954,353
Total noncurrent assets	959,660
Total assets	1,081,733
Liabilities	
Current liabilities	
Accounts payable and accrued expenses	9,771
Due to other funds	16,323
Payable from restricted assets:	
Customer deposits	48,879
Total liabilities	74,973
Net position	
Net investment in capital assets	959,660
Unrestricted	47,100
Total net position	\$ 1,006,760

The accompanying notes are an integral part of this statement.

Village of Mooringsport
Mooringsport, Louisiana
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Business-Type Activities Enterprise Fund
	Water and Sewer Fund
Operating Revenues	
Charges for services	\$ 338,910
Other	5,072
Total operating revenues	343,982
Operating Expenses	
Personal services	106,243
Water purchases	124,725
Office expense	13,258
Utilities	23,165
Insurance	10,823
Repair and maintenance	78,817
Depreciation	70,219
Total operating expenses	427,250
Operating income (loss)	(83,268)
Non-Operating Revenues (Expenses)	
Intergovernmental	111,339
Interest income	906
Total non-operating revenues (expenses)	112,245
Change in net position	28,977
Total net position, beginning of year	977,783
Total net position, end of year	\$ 1,006,760

The accompanying notes are an integral part of this statement.

Village of Mooringsport
Mooringsport, Louisiana
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Business-Type Activities Enterprise Fund	Water and Sewer Fund
Cash Flows from Operating Activities		
Receipts from customers and users	\$ 343,407	
Payments to suppliers	(238,910)	
Payments to employees	(106,089)	
Net cash (used) in operating activities	(1,592)	
Cash Flows from Noncapital Financing Activities		
Grant Income	55,670	
Net cash provided by noncapital financing activities	55,670	
Cash Flows from Capital and Related Financing Activities		
Acquisition of capital assets	(110,558)	
Net cash (used) in Capital and Related Financing Activities	(110,558)	
Cash Flows from Investing Activities		
Purchase of investments	(20,850)	
Interest income	906	
Net cash (used) in investing activities	(19,944)	
Net (decrease) in cash	(76,424)	
Cash, beginning of year	111,881	
Cash, end of year	\$ 35,457	
Cash is reflected on the statement of net position as follows:		
Cash	\$ 34,676	
Restricted cash - customer deposits	781	
	\$ 35,457	
Reconciliation of Operating Income(loss) to Net Cash Provided (used) by Operating Activities:		
Operating income (loss)	\$ (83,268)	
Adjustments to Reconcile Operating Income (loss) to Net Cash Provided (used) by Operating Activities:		
Depreciation expense	70,219	
(Increase) decrease in accounts receivable	(575)	
(Increase) decrease prepaid expenses	(5)	
Increase (decrease) in accounts payable	(2,718)	
Increase (decrease) in due to other funds	13,120	
Increase (decrease) customer deposits	1,635	
Net cash (used) in operating activities	\$ (1,592)	

The accompanying notes are an integral part of this statement.

Village of Mooringsport
Mooringsport, Louisiana
Notes to the Financial Statements
June 30, 2023

Introduction

The Village of Mooringsport, Louisiana (The Village) was incorporated in 1934, under the provisions of the Lawrason Act. The Village is located in the Parish of Caddo.

Elected officials of the Village of Mooringsport are a mayor, five (5) councilmen, and a chief of police, who are elected every four years. The affairs of the Village are conducted and managed by the mayor and the councilmen.

During the year ended June 30, 2015, the Mayor and Board of Alderman of the Town of Mooringsport sent a resolution to the State of Louisiana, Executive Department, requesting a change in classification of Mooringsport from a Town to a Village in accordance with R.S. 33:342 (A). The Governor of the State of Louisiana, through Proclamation No. 100 BJ 2015 dated June 30, 2015 changed the classification of Mooringsport from a Town to a Village.

(1) Summary of Significant Accounting Policies

The Village of Mooringsport's financial statements are prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Village of Mooringsport are discussed below.

A. Reporting Entity

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

GASB established criteria for determining which component units should be considered part of the Village of Mooringsport for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

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

(Continued)

Village of Mooringsport
Mooringsport, Louisiana
Notes to the Financial Statements
June 30, 2023
(Continued)

In addition, the GASB states that a legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if *all* of the following criteria are met:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.
2. The primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

In addition, other organizations should be evaluated as potential component units if they are closely related to, or financially integrated with, the primary government.

Based on the criteria described above, there are no component units to be included as part of the reporting entity.

B. Basic Financial Statements – Government-Wide Statements

The Village of Mooringsport's basic financial statements include both government-wide (reporting the funds maintained by the Village of Mooringsport as a whole) and fund financial statements (reporting the Village of Mooringsport's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Village's general fund is classified as governmental activities. The Village's water and sewer services are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental activities and business-type activities columns are presented on a consolidated basis by column and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables, as well as long-term debt and obligations. The Village of Mooringsport's net position is reported in three parts – invested in capital assets, net of related debt; restricted net position; and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village of Mooringsport's functions. The functions are also supported by general government revenues (sales and use taxes, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating, and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. 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. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

(Continued)

Village of Mooringsport
Mooringsport, Louisiana
Notes to the Financial Statements
June 30, 2023
(Continued)

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 connection with the proprietary fund's principal ongoing operations of providing water and sewer services.

The net costs (by function) are normally covered by general revenue (sales and use taxes, certain intergovernmental revenues, interest income, etc.).

This government-wide focus is more on the sustainability of the Village of Mooringsport as an entity and the change in the Village of Mooringsport's net assets resulting from the current year's activities.

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of the Village of Mooringsport are recorded in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Village of Mooringsport:

1. Governmental Funds – the focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental fund of the Village of Mooringsport:
 - a. General fund is the general operating fund of the Village of Mooringsport. It is used to account for all financial resources except those required to be accounted for in another fund.
2. Proprietary Funds – the focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Village:
 - a. Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges, or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of fund category) for the determination of major funds.

(Continued)

Village of Mooringsport
Mooringsport, Louisiana
Notes to the Financial Statements
June 30, 2023
(Continued)

The following major funds are presented in the fund financial statements:

General Fund – accounts for all financial resources except those required to be accounted for in another fund.

Enterprise Fund – accounts for the provision of water and sewer services of the Village.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual:

Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under modified accrual basis of accounting, revenues are recorded when susceptible to accrual: i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

E. Cash, Cash Equivalents, and Investments

Cash includes amounts in petty cash, demand deposits, interest bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Village may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Investments are limited by R.S. 33:2955 and the Village's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

F. Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

(Continued)

Village of Mooringsport
Mooringsport, Louisiana
Notes to the Financial Statements
June 30, 2023
(Continued)

Buildings and improvements	10–40 years
Land improvements	10–30 years
Infrastructure	25–50 years
Furniture and equipment	5–15 years
Vehicles	5–15 years
Other equipment	5–10 years
Water and sewer systems	5–40 years

GASB requires the Village to report and depreciate new infrastructure assets effective July 1, 2003. Infrastructure assets include roads, bridges, traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Village. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure is not required.

G. Revenues

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Revenues from ad valorem taxes are budgeted in the year billed. Sales tax revenues are recorded in the period in which the underlying exchange has occurred. Fines, forfeitures, licenses, and permits are recognized in the period they are collected. Interest income on demand and time deposits is recorded when earned. Federal and state grants are recorded when the Village is entitled to the funds.

H. Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position invested in capital assets, net of related debt, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Village's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

I. Sales Taxes

The Village receives a one (1) percent sales and use tax with the net proceeds, after deducting costs of collection and administration, dedicated to construction, acquiring, extending, improving and/or maintaining drainage facilities, streets, street lighting facilities, bridges, sidewalks, waterworks, sewers and sewer disposal works, recreational facilities, public parks, public buildings and equipment, payment of salaries of municipal employees, maintaining and operating the municipal police department including the purchase of equipment thereof, or for any one or more of said purpose, title to which improvements shall be in the public.

(Continued)

Village of Mooringsport
Mooringsport, Louisiana
Notes to the Financial Statements
June 30, 2023
(Continued)

J. Interfund Activity

Interfund activity is reported as either loans, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

K. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

L. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities in the statement of net position. Bonds payable are reported net of the applicable bond premium or discount.

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

M. Bad Debts

The Village uses the direct charge-off method of accounting for water and sewer system receivables. Although this method is not in accordance with generally accepted accounting principles, the overall effect on the financial statements is immaterial.

N. Statement of Cash Flows

For the purposes of the Statement of Cash Flows, the Water and Sewer Funds consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

(Continued)

Village of Mooringsport
Mooringsport, Louisiana
Notes to the Financial Statements
June 30, 2023
(Continued)

O. Fund Balance

GASB has defined the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB requires the fund balance amounts to be properly reported within one of the fund balance categories listed below.

1. Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form, such as inventory or prepaid expenses, or (b) legally or contractually required to be maintained intact, such as a trust that must be retained in perpetuity.
2. Restricted fund balances are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
3. Committed fund balances include amounts that can be used only for the specific purposes as a result of constraints imposed by the Village Council (the Village's highest level of decision making authority). Committed amounts cannot be used for any other purpose unless the board of aldermen removes those constraints by taking the same type of action (i.e. legislation, resolution, ordinance).
4. Assigned fund balances are amounts that are constrained by the Village's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by the Mayor, an appointed body or official the Village Council has delegated the authority to assign, modify, or rescind amounts to be used for specific purposes.
5. Unassigned fund balance are the residual classification for the Village's general fund and include all spendable amounts not contained in the other classifications.

The Village's policy is to apply expenditures against nonspendable fund balances, restricted fund balances, committed fund balances, assigned fund balances, and unassigned fund balances, in that order.

The calculation of fund balance amounts begins with the determination of nonspendable fund balances. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. It is possible for the non-general funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purpose amounts exceeds the positive fund balance for the non-general fund.

P. Postretirement Benefits

The Village provides no postretirement benefits to its employees.

Q. Compensated Absences

The Village provides for leave for its full time employees, but does not allow any carry forward of that time not used during the year.

(Continued)

Village of Mooringsport
Mooringsport, Louisiana
Notes to the Financial Statements
June 30, 2023
(Continued)

R. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. At this time, the Village has no transactions that meet the definition of deferred outflows of resources.

In addition to liabilities, the statement of net position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Lease-related amounts are recognized at the inception of leases in which the Village is the lessor. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

S. Fair Value Measurements

Generally accepted accounting principles require disclosure to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1 inputs – The valuation is based on quoted market prices for identical assets or liabilities traded in active markets;

Level 2 inputs – The valuation is based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active, and inputs other than quoted prices that are observable for the asset or liability;

Level 3 inputs – The valuation is determined by using the best information available under the circumstances and might include the government's own data but should adjust those data if (a) reasonably available information indicates that other market participants would use different data or (b) there is something particular to the government that is not available to other market participants.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on lowest level of any input that is significant to the fair value measurement.

T. Lease Receivables

Lease receivables are measured using a present value of lease payments to be received for the lease term (less estimates for uncollectible amounts).

(Continued)

Village of Mooringsport
Mooringsport, Louisiana
Notes to the Financial Statements
June 30, 2023
(Continued)

(2) Budgets

The Village follows the following budget practices:

Formal budgetary accounting is employed as a management control. Village of Mooringsport prepares and adopts a budget each year for its general and utility funds in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). All budget appropriations lapse at year end. There was one budget amendment during the year ended June 30, 2023.

(3) Cash, Cash Equivalents, and Investments

At June 30, 2023, the Village has cash, cash equivalents, and investments (book balances), totaling \$237,582 as detailed below.

A. Cash and Cash Equivalents

Cash and cash equivalents at June 30, 2023 (book balances) totaled \$89,869, of which \$781 is shown as a restricted asset. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

B. Investments

At June 30, 2023, the Village had investments totaling \$147,713, of which \$48,098 is shown as a restricted asset.

Certificates of deposit	<u>\$ 147,713</u>
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The certificates of deposit have initial maturities greater than 90 days and are carried at cost, which approximates market. The investments are presented in the financial statements utilizing level 2 measurements.

C. Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of June 30, 2023, 100% of the Village's bank balances of \$238,866 were secured by FDIC insurance.

(Continued)

Village of Mooringsport
Mooringsport, Louisiana
Notes to the Financial Statements
June 30, 2023
(Continued)

(4) Receivables

Receivables at June 30, 2023 are as follows:

Governmental activities:	
Sales and use taxes	\$ 6,254
Licenses and permits	3,494
Franchise	7,849
Lease receivables	<u>55,004</u>
	<u>125,317</u>
Business-type activities:	
Water and sewer charges	<u>36,337</u>
	<u>36,337</u>
	<u>\$ 108,938</u>

(5) Restricted Assets – Enterprise Fund

Certain resources are set a side for specific purposes and are classified as restricted assets on the balance sheet because their use is limited. Restricted assets as of June 30, 2023 are as follows:

Water and Sewer Fund

Customer meter deposits	<u>\$ 48,879</u>
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(Continued)

Village of Mooringsport
Mooringsport, Louisiana
Notes to the Financial Statements
June 30, 2023
(Continued)

(6) Capital Assets

Capital assets and depreciation activity as of and for the year ended June 30, 2023 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated				
Land	\$ 86,819	\$	\$	\$ 86,819
Construction in progress	94,888		(94,888)	
Total capital assets, not being depreciated	181,707		(94,888)	86,819
Capital assets, being depreciated				
Buildings and other improvements	353,706	230,351		584,057
Machinery and equipment	134,461	10,000		144,461
Total capital assets being depreciated	488,167	240,351		728,518
Less accumulated depreciation for:				
Buildings and other improvements	(200,898)	(16,467)		(217,365)
Machinery and equipment	(119,903)	(3,783)		(123,686)
Total accumulated depreciation	(320,801)	(20,250)		(341,051)
Total capital assets being depreciated, net	167,366	220,101		387,467
Governmental activities capital assets, net	\$ 349,073	\$ 220,101	\$ (94,888)	\$ 474,286

(Continued)

Village of Mooringsport
Mooringsport, Louisiana
Notes to the Financial Statements
June 30, 2023
(Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital assets, not being depreciated				
Land	\$ 5,307	\$	\$	\$ 5,307
Total capital assets, not being depreciated	5,307			5,307
Capital assets, being depreciated				
Distribution system	2,921,765	110,558		3,032,323
Machinery and equipment	40,366			40,366
Total capital assets, being depreciated	2,962,131	110,558		3,072,689
Less accumulated depreciation for:				
Distribution system	(2,009,166)	(69,370)		(2,078,536)
Machinery and equipment	(38,951)	(849)		(39,800)
Total accumulated depreciation	(2,048,117)	(70,219)		(2,118,336)
Total capital assets being depreciated, net	914,014	40,339		954,353
Business-type activities capital assets, net	\$ 919,321	\$ 40,339	\$	\$ 959,660

Depreciation expense for the year ended June 30, 2023 was charged as follows:

Governmental activities:	
General	\$ 20,250
Total	\$ 20,250
Business-Type activities	
Water and sewer	\$ 70,219
Total	\$ 70,219

(Continued)

Village of Mooringsport
Mooringsport, Louisiana
Notes to the Financial Statements
June 30, 2023
(Continued)

(7) Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Village attempts to minimize risk from significant losses through the purchase of insurance.

(8) Subsequent Events

Subsequent events have been evaluated through December 18, 2023, the date the financial statements were available to be issued.

During October, 2023, the Village entered into a financing lease for the purchase of equipment. The lease is for 48 monthly payments of \$946 and has a stated interest rate of 7.25%.

(9) Levied Taxes

The Village levies taxes on real and business personal property located within its boundaries. The 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 are levied and billed to the taxpayers in December, and are payable upon receipt of notice. Ad valorem taxes attach as an enforceable lien on property as of December 31, of each year. Taxes of 10.34 mills were levied and were dedicated for general operating purposes.

(10) Interfund Activity

At June 30, 2023 the enterprise fund owed the general fund \$16,323.

(11) Leases

The Village, as a lessor, has entered into lease agreements involving real estate and facilities owned by the Village. The total amount of inflows of resources, including lease revenue, interest revenue, and other lease-related inflows, recognized during the year ended June 30, 2023 was \$9,300.

(12) Customer Deposits

Deposits held for customers that are currently active on the water system total \$48,879 at June 30, 2023.

Village of Mooringsport
Mooringsport, Louisiana
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (GAAP) and Actual
General Fund
For the Year Ended June 30, 2023

Revenues	Budgeted Amount		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
Sales tax	\$ 50,500	\$ 70,000	\$ 88,452	\$ 18,452
Franchise tax	39,000	33,000	40,962	7,962
Ad valorem tax	22,000	23,000	24,891	1,891
License and permits	23,160	25,660	31,139	5,479
Intergovernmental revenue	100,000	45,254	45,254	-
Fines and forfeitures	78,000	84,000	99,837	15,837
Investment earnings			3,594	3,594
Lease income	10,900	7,600	7,881	281
Miscellaneous	34,962	23,747	33,803	10,056
Total revenues	<u>358,522</u>	<u>312,261</u>	<u>375,813</u>	<u>63,552</u>
Expenditures				
Current				
General government	171,805	213,480	200,236	13,244
Public safety	83,700	132,500	127,417	5,083
Capital outlay	100,000	134,923	145,463	(10,540)
Total expenditures	<u>355,505</u>	<u>480,903</u>	<u>473,116</u>	<u>7,787</u>
Net change in fund balance	3,017	(168,642)	(97,303)	71,339
Fund balance, beginning of year	<u>270,313</u>	<u>270,313</u>	<u>270,313</u>	
Fund balance, end of year	<u>\$ 273,330</u>	<u>\$ 101,671</u>	<u>\$ 173,010</u>	<u>\$ 71,339</u>

Village of Mooringsport
Mooringsport, Louisiana
Schedule of Compensation Paid to Council Members and Mayor
For the Year Ended June 30, 2023

Mayor:

William C. Coffman (July 1, 2022 to December 31, 2022) \$ 1,500

William G. Moore (January 1, 2023 to June 30, 2023) 1,500

Council:

Ashley Anderson 300

Joshua Welch 300

Tyler Gordon 300

William G. Moore 300

Cynthia Clark 300

Murray Moore 300

Total \$ 4,800

Village of Mooringsport
Mooringsport, Louisiana
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended June 30, 2023

Agency Head: William C. Coffman, Mayor (July 1, 2022 to December 31, 2022)

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 1,500

Agency Head: William G. Moore, Mayor (January 1, 2023 to June 30, 2023)

<u>Purpose</u>	<u>Amount</u>
Salary	1,500
Travel	211

Village of Mooringsport
Mooringsport, Louisiana
Other Supplementary Information
Justice System Funding Schedule
Collecting/Disbursing Schedule
As Required by Act 87 of the 2020 Regular Legislative Session
For the Year Ended June 30, 2023

	July 2022 - December 2022	January 2023 - June 2023
Cash Basis Presentation		
Beginning Balance of Amounts Collected (i.e. cash on hand)	-	-
Add: Collections		
Criminal Fines - Other	57,770	41,767
Subtotal Collections	57,770	41,767
Less: Disbursements to Governments and Nonprofits		
Louisiana Commission on Law Enforcement - Criminal Fines - Other	3,495	1,341
Louisiana Supreme Court - Criminal Fines - Other	181	100
Louisiana Traumatic Head and Spinal Cord Injury Trust Fund - Criminal Fines - Other	960	510
State of Louisiana Treasurer - CMIS - Criminal Fines - Other	374	164
Less: Amounts Retained by Collecting Agency		
Amounts "Self-Disbursed" to Collecting Agency - Criminal Fines - Other	52,760	39,652
Subtotal Disbursements/Retainage	57,770	41,767
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	-	-
Ending Balance of "Partial Payments" Collected but not Disbursed	-	-

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)	-	-

COOK & MOREHART

Certified Public Accountants

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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*

Independent Auditors' Report

The Honorable Mayor, William G. Moore
and the Village Council
Village of Mooringsport
Mooringsport, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities and each major fund of the Village of Mooringsport, Louisiana, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Village of Mooringsport's basic financial statements, and have issued our report thereon dated December 18, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village of Mooringsport's internal control over financial reporting (internal control) as a basis for designing 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 Mooringsport's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village of Mooringsport's internal control.

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

Our consideration of the 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 were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of current year audit findings as item 2023-1, that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Village of Mooringsport'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of current year findings as item 2023-2.

Village of Mooringsport's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Village of Mooringsport's response to the findings identified in our audit and described in the accompanying Schedule of Current Year Audit Findings. Village of Mooringsport's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.



Cook & Morehart
Certified Public Accountants
December 18, 2023

Village of Mooringsport
Mooringsport, Louisiana
Summary Schedule of Prior Year Audit Findings
For Louisiana Legislative Auditor
June 30, 2023

Prior Year Findings

2022-1 Material Weakness – Segregation of Duties for Deposits and Collections

Criteria:	Internal controls should be in place to adequately account the Village's deposits and collections, including proper segregation of duties.
Condition:	The Village Clerk or assistant are the only employees that collect payments from customers and make the deposits.
Cause:	The Village administrative office has only two employees, the Village Clerk and assistant clerk, for the collection of payments to the Village. Due to the size of the Village and economic limitations, proper segregation of duties is limited.
Effect:	Due to the lack of segregation of duties, errors and /or irregularities could occur and not be detected.
Recommendation:	It may not be cost effective or practical to correct the finding due to the economic limitations of the Village.
Current Status:	Repeat finding for audit for year ended June 30, 2023.

Village of Mooringsport
Mooringsport, Louisiana
Schedule of Current Year Audit Findings
For Louisiana Legislative Auditor
June 30, 2023

Current Year Findings

2023-1 Material Weakness – Segregation of Duties for Deposits and Collections

Criteria: Internal controls should be in place to adequately account the Village's deposits and collections, including proper segregation of duties.

Condition: The Village Clerk or assistant are the only employees that collect payments from customers and make the deposits.

Cause: The Village administrative office has only two employees, the Village Clerk and assistant clerk, for the collection of payments to the Village. Due to the size of the Village and economic limitations, proper segregation of duties is limited.

Effect: Due to the lack of segregation of duties, errors and /or irregularities could occur and not be detected.

Recommendation: It may not be cost effective or practical to correct the finding due to the economic limitations of the Village.

Management Response: The Village of Mooringsport is a small village with limited funds. Due to the size of our village and the work load involved, it is not feasible to hire more employees to run our business office.

Name of Contact Person: William G. Moore, Mayor

2023-2 Finding – Budget

Finding: The budget for the general fund for the year ended June 30, 2023 was not adopted until July, 2022.

Criteria: The Local Government Budget Act requires the budget be adopted prior to the start of the fiscal year.

Cause: The Village had turnover in the Village Clerk's position and was late adopting the budget.

Effect: The Village was not in compliance with the Local Government Budget Act.

Recommendation: The Village should comply with the Local Government Budget Act.

Management Response: The Village will comply with the Local Government Budget Act.

Name of Contact Person: William G. Moore, Mayor

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Independent Accountants' Report on Applying Agreed-Upon Procedures

To the Honorable Mayor William G. Moore
And the Village Council
Village of Mooringsport
Mooringsport, Louisiana
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022 through June 30, 2023. The Village of Mooringsport's management is responsible for those C/C areas identified in the SAUPs.

The Village of Mooringsport has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) *Written Policies and Procedures*

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
 - iii. ***Disbursements***, including processing, reviewing, and approving.
 - iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g.,

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

- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **Information Technology 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.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Management provided written policies and procedures addressing all of the above

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
 - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or*

included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

- iii. 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.
- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Procedures performed. No exceptions noted.

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Procedures performed. No exceptions noted.

4) Collections (excluding electronic funds transfers)

- A. 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).

Management provided the requested information, along with management's representation that the listing is complete.
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then 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
 - i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;

- iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

Procedures performed. Noted the following exceptions:

Exceptions: Employees responsible for collections share cash drawers. The employee responsible for collecting cash is responsible for preparing/making bank deposits.

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

Procedures performed. No exceptions noted.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, 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:
 - i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - v. Trace the actual deposit per the bank statement to the general ledger.

Procedures performed. No exceptions noted except The Village does not utilize pre-numbered receipts.

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

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

Management provided the requested information, along with management's representation that the listing is complete.

- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
- ii. At least two employees are involved in processing and approving payments to vendors;
- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

Procedures performed. Noted the following exceptions:

Exceptions: The employee responsible for processing payments also adds/modifies vendor files. The employee/official responsible for processing payments also mails out the payments.

- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
 - i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

Procedures performed. No exceptions noted.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Procedures performed. Noted the following exception:

Exception: The electronic payments selected for testing did not have the two required authorized signers documenting approval.

6) Credit Cards/Debit Cards/Fuel Cards/P-Cards

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, 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 observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.
- Procedures performed. No exceptions noted.

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

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected
- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Procedures performed. No exceptions noted.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, 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
- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
 - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
 - iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Procedures performed. No exceptions noted.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums,

garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Procedures performed. No exceptions noted.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
 - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Procedures performed. No exceptions noted.

11) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

The Village did not issue any debt during the fiscal year.

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

The Village has no debt.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

The Village's management represented that there were no misappropriation of public funds and assets during the fiscal period.

- B. 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.

Procedures performed. No exceptions noted.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."
- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.
 - ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedures and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

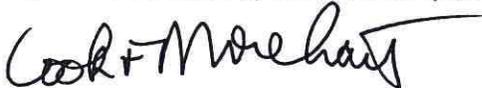
Procedures performed. Noted the following exception:

Exception: The Village did not complete the required report for the current fiscal period by February 1, 2023.

We were engaged by the Village of Mooringsport, to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Village of Mooringsport, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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



Cook & Morehart
Certified Public Accountants
December 18, 2023

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William Moore
Mayor

Krista Fuller
Village Clerk



Village of Mooringsport
--LOUISIANA--

Janet Terry
Police Chief

Tabitha Dendy
Deputy Clerk

December 18, 2023

Cook & Morehart, CPAs
1215 Hawn Ave
Shreveport, LA 71107

Village of Mooringsport submits the following response to the exceptions identified in the Statewide Agreed-Upon Procedures Report for the year ended June 30, 2023:

Exceptions: Employees responsible for collections share cash drawers. Employee responsible for collecting cash is responsible for preparing/making bank deposits.

Management's Response: Management will consider additional controls but due to the Village's size and number of employees it may not be feasible to implement those controls.

Exceptions: The employee responsible for processing payments also adds/modifies vendor files. In addition, the employee/official that is responsible for signing checks also mails out the payments.

Management's Response: Management will consider additional controls but due to the Village's size and number of employees, it may not be feasible to implement those controls.

Exception: The electronic payments selected for testing did not have the two required authorized signers documenting approval.

Management's Response: The Village will begin documenting the required approval by the authorized signers on electronic payments.

Exception: The Village did not complete the required report for the current fiscal period by February 1, 2023.

Management's Response: The Village will prepare the required report on an annual basis by February 1.

Sincerely,

A handwritten signature in black ink, appearing to read "William G. Moore".

William G. Moore
Mayor
Village of Mooringsport