

**VILLAGE OF CLARENCE
ANNUAL FINANCIAL REPORT**

JUNE 30, 2022

Village of Clarence
Financial Report
June 30, 2022

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Village of Clarence

P. O. Box 309
Clarence, LA 71414

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Village of Clarence's (hereafter referred to as the Village) annual financial report presents an overview and analysis of the Village's financial activities for the year ended June 30, 2022. The intent of the MD&A is to look at the Village's financial performance as a whole. It should therefore be read in conjunction with this report. Certain comparative information is presented to provide an overview of the Village's operations.

Financial Highlights

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. These statements tell how these services were financed in the short-term as well as what remains for future spending.

Government-Wide Financial Statements

- The Statement of Net Position presents all of the Village's assets and liabilities, with the difference between the two reported as "net position." Over time, increases or decreases in the Village's net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.
- The Statement of Activities presents information showing how the Village's net position changed during the current year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Therefore, some revenues and some expenses that are reported in this statement will not result in cash flows until future years.

Fund Financial Statements

- The services provided by the Village are financed through both a governmental fund and an enterprise fund. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Village conducts its day-to-day operations through a governmental fund, the General Fund, and a business-type activity, the Village's water and sewer system.

Governmental Activities

- The Village's liabilities exceed its assets by \$2,485 for the year. This is a decrease in its net deficit of \$2,561 from the prior year.
- Unrestricted net position of \$1,078 represents the portion available to maintain the Village's obligation to both citizens and creditors. This is a decrease of \$1,169 from the prior year.

Business Type Activities

The Utility System had a decrease in net position of \$34,833 for the year. For the prior year, the Water System had a decrease in net position of \$47,556.

General Fund Budgetary Highlights

At year end, actual revenues were \$8,061 less than budgeted revenues and expenditures were \$23,924 less than budgeted expenditures, however, transfers were made to the Utility Fund in the amount of \$26,066 that were not budgeted.

Economic Factors and Next Year's Budget

The Village has prepared its FY 2022/2023 budget for the General Fund on the assumption that revenues and expenditures will not change significantly from 2020/2022. Both revenues and expenditures for the Utility Enterprise Fund should remain fairly constant during the next year.

Contacting the Village

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to the Village at P. O. Box 309, Clarence, LA 71414.

A Summary of the basic government-wide financial statements is as follows:

Summary of Statement of Net Position

	June 30, 2022			June 30, 2021		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS:						
Current Assets	\$ 21,285	\$ 16,280	\$ 37,565	\$ 21,106	\$ 15,000	\$ 36,106
Restricted Assets	-	5,023	5,023	-	3,617	3,617
Capital Assets, Net	1,078	1,727,701	1,728,779	2,247	1,756,880	1,759,127
Total Assets	<u>\$ 22,363</u>	<u>\$ 1,749,004</u>	<u>\$ 1,771,367</u>	<u>\$ 23,353</u>	<u>\$ 1,775,497</u>	<u>\$ 1,798,850</u>
LIABILITIES:						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 8,765	\$ 8,765
Accounts Payable	1,653	15,271	16,924	4,399	-	4,399
Salaries Payable	3,300		3,300			
Customer Deposits Payable		10,986	10,986		9,580	9,580
Deferred Income-ARP Funds		11,269	11,269			
Payroll Tax Liability	19,895	13,159	33,054	24,000	24,000	48,000
Total Liabilities	<u>\$ 24,848</u>	<u>\$ 50,685</u>	<u>\$ 75,533</u>	<u>\$ 28,399</u>	<u>\$ 42,345</u>	<u>\$ 70,744</u>
NET POSITION:						
Net Investment in Capital Assets	\$ 1,078	\$ 1,727,701	\$ 1,728,779	\$ 2,247	\$ 1,756,880	\$ 1,759,127
Unrestricted	(3,563)	(29,382)	(32,945)	(7,293)	(23,728)	(31,021)
Total Net Position	<u>\$ (2,485)</u>	<u>\$ 1,698,319</u>	<u>\$ 1,695,834</u>	<u>\$ (5,046)</u>	<u>\$ 1,733,152</u>	<u>\$ 1,728,106</u>

Summary of Statement of Activities

	June 30, 2022			June 30, 2022		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
REVENUES:						
Taxes, Licenses & Fees	\$ 94,671	\$ -	\$ 94,671	\$ 6,530	\$ 142,969	\$ 149,499
Fees, Fines and Charges for Services	9,340	153,543	162,883	6,530	142,969	149,499
Miscellaneous	5,468	1,412	6,880	43,997	21,999	65,996
Grant	-	78,235	78,235	-	-	-
Total Revenues	<u>\$ 109,479</u>	<u>\$ 233,190</u>	<u>\$ 342,669</u>	<u>\$ 57,057</u>	<u>\$ 307,937</u>	<u>\$ 364,994</u>
EXPENSES:						
General Government	\$ 80,852	\$ -	\$ 80,852	\$ 90,971	\$ -	\$ 90,971
Water/Sewer	-	294,089	294,089	-	212,524	212,524
Total Expenses	<u>\$ 80,852</u>	<u>\$ 294,089</u>	<u>\$ 374,941</u>	<u>\$ 90,971</u>	<u>\$ 212,524</u>	<u>\$ 303,495</u>
Interfund Transfers	\$ (26,066)	\$ 26,066	\$ -			
Change in Net Position	<u>\$ 2,561</u>	<u>\$ (34,833)</u>	<u>\$ (32,272)</u>	<u>\$ (33,914)</u>	<u>\$ 95,413</u>	<u>\$ 61,499</u>



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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Mayor and Board of Aldermen
Village of Clarence
P. O. Box 309
Clarence, Louisiana 71414

Report on the Financial Statements

We have reviewed the accompanying financial statements of the governmental activities, business-type activities, and major funds of the Village of Clarence ("Village") as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the Table of Contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

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

We are required to be independent of the Village of Clarence and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

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

Other Matter Paragraphs*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Budgetary Comparison Schedule, as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The information is the responsibility of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the information and, accordingly, do not express an opinion on such information.

Supplementary Information

The accompanying Schedule of Compensation, Benefits, and Other Payments to the Agency Head, Political Subdivision Head, or Chief Executive Officer and Justice System Funding Schedule are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information is the representation of management. We have reviewed the information and, based on our review, we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the supplementary information and, accordingly, do not express an opinion on such information.

Other Reporting Requirements

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report dated February 23, 2023, on the results of our agreed-upon procedures on pages 32 through 35. The Louisiana Attestation Questionnaire is presented on pages 37 through 39.

Kenneth D. Folden & Co., CPAs, LLC

Kenneth D. Folden & Co., CPAs, LLC
Jonesboro, Louisiana

February 23, 2023

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

Village of Clarence
Statement of Net Position
June 30, 2022

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash & Cash Equivalents	\$ 15,259	\$ 14,422	\$ 29,681
Revenue Receivable	<u>6,026</u>	<u>1,858</u>	<u>7,884</u>
Total Current Assets	<u>\$ 21,285</u>	<u>\$ 16,280</u>	<u>\$ 37,565</u>
Non-current Assets:			
Restricted Assets			
Meter Deposits	\$ -	\$ 5,023	\$ 5,023
Capital Assets (net)	<u>1,078</u>	<u>1,727,701</u>	<u>1,728,779</u>
Total Noncurrent Assets	<u>\$ 1,078</u>	<u>\$ 1,732,724</u>	<u>\$ 1,733,802</u>
 Total Assets	 <u>\$ 22,363</u>	 <u>\$ 1,749,004</u>	 <u>\$ 1,771,367</u>
LIABILITIES:			
Current Liabilities:			
Accounts Payable	\$ 1,653	\$ 15,271	\$ 16,924
Salaries Payable	<u>3,300</u>	<u>-</u>	<u>3,300</u>
Total Current Liabilities	<u>\$ 4,953</u>	<u>\$ 15,271</u>	<u>\$ 20,224</u>
Non-current Liabilities			
Customer Deposits Payable	\$ -	\$ 10,986	\$ 10,986
Deferred Income-ARP Funds		11,269	11,269
Payroll Tax Payable	<u>19,895</u>	<u>13,159</u>	<u>33,054</u>
Total Noncurrent Liabilities	<u>\$ 19,895</u>	<u>\$ 35,414</u>	<u>\$ 55,309</u>
 Total Liabilities	 <u>\$ 24,848</u>	 <u>\$ 50,685</u>	 <u>\$ 75,533</u>
NET POSITION:			
Net Investment in Capital Assets	\$ 1,078	\$ 1,727,701	\$ 1,728,779
Unrestricted	<u>(3,563)</u>	<u>(29,382)</u>	<u>(32,945)</u>
 Total Net Position	 <u>\$ (2,485)</u>	 <u>\$ 1,698,319</u>	 <u>\$ 1,695,834</u>

See accompanying notes and independent accountant's review report.

Village of Clarence
Statement of Activities
June 30, 2022

<u>Activities</u>	<u>Expenses</u>	<u>Fees, Fines and Charges for Services</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>		
			<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental Activities:					
General Government	\$ 73,280	\$ -	\$ (73,280)	\$ -	\$ (73,280)
Public Safety	<u>7,572</u>	<u>9,340</u>	<u>1,768</u>	<u>-</u>	<u>1,768</u>
Total Governmental Activities	\$ 80,852	\$ 9,340	\$ (71,512)	\$ -	\$ (71,512)
Business-Type Activities:					
Water/Sewer	<u>294,089</u>	<u>153,543</u>	<u>-</u>	<u>(140,546)</u>	<u>(140,546)</u>
Total Government	<u>\$ 374,941</u>	<u>\$ 162,883</u>	<u>\$ (71,512)</u>	<u>\$ (140,546)</u>	<u>\$ (212,058)</u>
		General Revenues:			
		Taxes	\$ 94,671	\$ -	\$ 94,671
		Federal Grant-ARP Funds		78,235	78,235
		Miscellaneous	5,468	1,412	6,880
		Interfund Transfers	<u>(26,066)</u>	<u>26,066</u>	<u>-</u>
		Total General Revenues	<u>\$ 74,073</u>	<u>\$ 105,713</u>	<u>\$ 179,786</u>
		Change in Net Position	\$ 2,561	\$ (34,833)	\$ (32,272)
		Net Position, July 1, 2021	<u>(5,046)</u>	<u>1,733,152</u>	<u>1,728,106</u>
		Net Position, June 30, 2022	<u>\$ (2,485)</u>	<u>\$ 1,698,319</u>	<u>\$ 1,695,834</u>

See accompanying notes and independent accountant's review report.

FUND FINANCIAL STATEMENTS

Village of Clarence
Balance Sheet - Governmental Fund
June 30, 2022

	<u>Governmental Activities</u>
ASSETS:	
Cash & Cash Equivalents	\$ 15,259
Accounts Receivable	<u>6,026</u>
Total Assets	<u>\$ 21,285</u>
 LIABILITIES:	
Accounts Payable	\$ 1,653
Salaries Payable	3,300
Payroll Tax Payable	<u>19,895</u>
Total Liabilities	\$ 24,848
 FUND BALANCE:	
Unassigned	<u>(3,563)</u>
Total Liabilities and Fund Balance	<u><u>\$ 21,285</u></u>

See accompanying notes and independent accountant's review report.

Village of Clarence
Reconciliation of Governmental Fund
Balance Sheet to the Statement of Net Position
June 30, 2022

Total Fund Balance for the Governmental Fund at June 30, 2022	\$ (3,563)
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Total Net Position reported for Governmental Activities in
Statement of Net Positions are different because:

The following used in Governmental Activities are
not current financial resources; and, therefore, are
not reported in the Governmental Funds Balance Sheet-

Capital Assets (Net)	<u>1,078</u>
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Total Net Position of Governmental Activities at June 30, 2022	<u><u>\$ (2,485)</u></u>
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Village of Clarence
Statement of Revenues, Expenditures, and Changes in Fund Balance-
Governmental Fund
June 30, 2022

	<u>Governmental</u> <u>Activities</u>
REVENUES:	
Licenses & Permits	\$ 12,476
Taxes	65,024
Fines & Forfeits	9,340
Franchise Fees	17,171
Miscellaneous	<u>5,468</u>
Total Revenues	<u>\$ 109,479</u>
EXPENDITURES:	
Current-	
General Government	\$ 72,111
Public Safety	<u>7,572</u>
Total Expenditures	<u>\$ 79,683</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 29,796</u>
OTHER FINANCING SOURCES:	
Operating Transfers In	\$ 3,500
Operating Transfers Out	<u>(29,566)</u>
Total Other Financing	<u>\$ (26,066)</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ 3,730
Fund Balance-Beginning of Year	<u>(7,293)</u>
Fund Balance-End of Year	<u><u>\$ (3,563)</u></u>

See accompanying notes and independent accountant's review report.

Village of Clarence
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balance of the Governmental Fund
to the Statement of Activities
June 30, 2022

Net change in fund balance-governmental fund	\$ 3,730
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Some revenues reported in the Statement of Activities do not provide current financial resources and these are not reported as revenues in governmental funds. Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the funds. These timing differences are summarized below:

Deprecation Expense	<u>(1,169)</u>
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Change in net position per statement of activities at June 31, 2022	<u>\$ 2,561</u>
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Village of Clarence
Statement of Net Position
Proprietary Fund
June 30, 2022

	<u>Business Type Activities</u>
ASSETS:	
Current Assets-	
Cash & Cash Equivalents	\$ 14,422
Revenue Receivable	<u>1,858</u>
Total Current Assets	<u>\$ 16,280</u>
Noncurrent Assets-	
Restricted Assets-	
Meter Deposits	\$ 5,023
Capital Assets	
Capital Assets (Net)	<u>1,727,701</u>
Total Noncurrent Assets	<u>\$ 1,732,724</u>
Total Assets	<u>\$ 1,749,004</u>
LIABILITIES:	
Current Liabilities-	
Accounts Payable	<u>\$ 15,271</u>
Noncurrent Liabilities-	
Payroll Tax Payable	\$ 13,159
Deferred Income-ARP Funds	11,269
Customer Deposits Payable	<u>10,986</u>
Total Noncurrent Liabilities	<u>\$ 35,414</u>
Total Liabilities	<u>\$ 50,685</u>
NET POSITION:	
Net Investment in Capital Assets	\$ 1,727,701
Unrestricted	<u>(29,382)</u>
Total Net Position	<u>\$ 1,698,319</u>

See accompanying notes and independent accountant's review report.

Village of Clarence
Statement of Revenues, Expenditures, and Changes in Net Position
Proprietary Fund
June 30, 2022

	Business Type Activities
OPERATING REVENUES	
Charges for Services	\$ 153,543
OPERATING EXPENSES	
Cost of Water	\$ 134,053
Depreciation	81,150
General & Administrative	57,115
Telephone/Utilities	8,572
Repairs & Maintenance	13,199
Total Operating Expenses	\$ 294,089
Operating Income (Loss)	\$ (140,546)
NON-OPERATING REVENUES & EXPENSES	
Federal ARP Grant Funds	\$ 78,235
Miscellaneous Revenue	1,412
Total Non-Operating Revenues	\$ 79,647
TRANSFERS & CONTRIBUTIONS	
Transfers from Other Funds	\$ 29,566
Transfers from Other Funds	(3,500)
Total Transfers	\$ 26,066
Change in Net Position	\$ (34,833)
Net Position-Beginning of Year	1,733,152
Net Position-End of Year	\$ 1,698,319

See accompanying notes and independent accountant's review report.

Village of Clarence
Statement of Cash Flows
Proprietary Fund
June 30, 2022

Cash Flows from Operating Activities:	
Cash Received from Customers	\$ 152,640
Cash Payments for Water	(127,547)
Cash Payments to Employees	(38,081)
Cash Payments to Suppliers for Goods and Services	<u>(38,970)</u>
Net Cash Provided by Operating Activities	<u>\$ (51,958)</u>
Cash Flow from Non-Capital Related Financing Activities:	
Miscellaneous Income	\$ 1,412
Federal Grant-ARP Funds	78,235
Transfers to Other Funds	(3,500)
Transfers from Other Funds	<u>29,566</u>
Net Cash Provided by Non-Capital Financing Activities	<u>\$ 105,713</u>
Cash Flow from Capital Financing Activities:	
Acquisition of Capital Assets	<u>\$ (51,972)</u>
Net Increase in Cash & Cash Equivalents	\$ 1,783
Cash & Cash Equivalents - Beginning of Year	<u>17,662</u>
Cash & Cash Equivalents - End of Year	<u><u>\$ 19,445</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income(Loss)	<u>\$ (140,546)</u>
Adjustments to Reconcile Operating Income to Net Cash Provided (used) by Operating Activities:	
Depreciation	81,150
Changes in Assets & Liabilities:	
(Increase) Decrease in Accounts Receivable	(903)
Increase (Decrease) in Accounts Payable	6,507
Increase (Decrease) in Non-Current Payables	(10,841)
Increase (Decrease) in Deferred Income	11,269
Increase (Decrease) in Customer Deposits	<u>1,406</u>
Total Adjustments	<u>\$ 88,588</u>
Net Cash Provided (used) by Operating Activities	<u><u>\$ (51,958)</u></u>
Cash Amounts:	
Cash & Cash Equivalents-Water System	\$ 2,280
Cash & Cash Equivalents-Sewer System	\$ 873
Cash & Cash Equivalents-ARP Funds	\$ 11,269
Restricted Cash	<u>5,023</u>
Total Cash - Ending	<u><u>\$ 19,445</u></u>

See accompanying notes and independent accountant's review report.

NOTES TO FINANCIAL STATEMENTS

Village of Clarence
Notes to Financial Statements
June 30, 2022

Introduction:

The Village of Clarence, Louisiana, is incorporated under the Lawrason Act with a Mayor-Board of Aldermen form of government. The executive branch of government is headed by the Mayor and a Legislative branch consisting of three Aldermen.

This report includes all funds which are controlled or dependent on the Village of Clarence's executive and legislative branches (the Mayor and Aldermen). Control by or dependence on the Village of Clarence was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of government body, and other general oversight responsibility.

The Village's operations include police, streets and drainage, and general and administrative services. In addition, the Village operates a Utility System which provides water and sewer services.

1. Summary of Significant Accounting Policies:

A. REPORTING ENTITY-

The Village is the basic level of government which has financial accountability and control over all activities related to the Village operations and services provided. The Village is not included in any other governmental "reporting entity" as defined by GASB pronouncements, since the Village Mayor and Board of Aldermen are elected by the public and have decision making authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units as defined in Governmental Accounting Standards Board Statement 14, which are included in the Village's reporting entity.

The financial statements of the Village of Clarence, Louisiana are prepared in accordance with generally accepted accounting principles (GAAP). The Village of Clarence applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

B. BASIS OF PRESENTATION-

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for water and sewer services.

The Statement of Net Position presents the governmental-type activities on a consolidated basis, and is 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 Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Village's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Village of Clarence
Notes to Financial Statements
June 30, 2022

C. FUND ACCOUNTING-

The accounts of the Village are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

The Village maintains two funds. One is categorized as a governmental fund and one as a proprietary fund. The emphasis on fund financial statements is on major governmental and enterprise funds; each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the Village are described below:

Governmental Fund-

General Fund

The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

Proprietary Fund-

Enterprise Fund

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Village's enterprise fund is the Utility Fund.

The Village reports both funds as major.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING-

Basis of accounting refers to when revenues or expenditures/expenses 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.

Village of Clarence
Notes to Financial Statements
June 30, 2022

Accrual Basis - Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the Village as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Modified Accrual Basis - Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Village considers all revenues "available" if collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

E. CASH AND INTEREST-BEARING DEPOSITS-

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposit of the Village.

F. CAPITAL ASSETS-

Capital assets, which include property, plant, and equipment, are reported in the governmental activity's column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Village maintains a threshold level of \$500 or more for capitalizing capital assets.

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

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of useful lives by type of asset is as follows:

Buildings and improvements	40 years
Equipment and vehicles	5-15 years
Utility system and improvements	15-40 years

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

Village of Clarence
Notes to Financial Statements
June 30, 2022

G. RESTRICTED ASSETS-

Restricted assets include cash, interest-bearing deposits, and investments of the proprietary fund that are legally restricted as to their use. The restricted assets are related to customer deposits.

H. COMPENSATED ABSENCES-

There is no formal leave policy for the Village, therefore, no entry is made to record compensated absences. In addition, the Village does not provide employees benefits beyond employment.

I. EQUITY CLASSIFICATIONS-

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

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

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

In the fund statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

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

Village of Clarence
Notes to Financial Statements
June 30, 2022

- d. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance - amounts that are available for any purpose. Only the General Fund would report positive amounts in unassigned fund balance.

The General Fund has an unassigned fund balance deficit of \$(3,563). The Village would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

J. ESTIMATES-

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

K. OPERATING REVENUES AND EXPENSES-

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

L. EXPENDITURES/EXPENSES-

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character
Proprietary Fund - By Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

M. BUDGET-

Prior to the beginning of each fiscal year, the Village adopts a budget for the next fiscal year. The budget is open for public inspection. All budgetary appropriations lapse at the end of the fiscal year. The budget is prepared on the modified accrual basis of accounting.

N. RECEIVABLES-

All receivables are reported at their gross value. All accounts receivable are considered to be fully collectible.

Village of Clarence
Notes to Financial Statements
June 30, 2022

P. SALES TAXES-

The Village collects 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, recreational facilities, public parks, public buildings and equipment, payment of salaries of municipal employees, maintaining and operating the municipal police department, including purchase of equipment thereof, or for any one or more said purposes, title to which improvements shall be in the public.

2. Cash and Cash Equivalents:

The cash and cash equivalents of the Village are subject to the following risk:

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

Bank account balances at June 30, 2022, totaled \$35,708, which were fully secured by FDIC Insurance.

3. Restricted Assets - Proprietary Fund Type:

Restricted assets of the Utility Fund were applicable to the following at June 30, 2022:

Customer's Deposits Account	<u>\$5,023</u>
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4. Litigation:

At June 30, 2022, there were no pending civil suits against the Village.

5. Compensation Paid to the Board of Aldermen:

Tamala Chatman (Including Back Pay)	2,600
Kelsey Scheryl	2,400
Aretha McWright	<u>2,400</u>
Total	<u>\$7,400</u>

Village of Clarence
Notes to Financial Statements
June 30, 2022

6. The following is a summary of receivables at June 30, 2022:

<u>Class of Receivable</u>	<u>Proprietary Fund</u>	<u>General Fund</u>
Water & Sewer Services	<u>\$1,858</u>	
Sales & Use Tax		\$4,256
Franchise Fees		<u>1,770</u>
		<u>\$6,026</u>

7. Capital Assets:

Capital asset activity for the year ended June 30, 2022, is as follows:

<u>Governmental Activities</u>	<u>Balance 07-01-21</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06-30-22</u>
Capital Assets Depreciated-				
Building	46,751	0	0	46,751
Office Furniture, Fixtures & Equipment	41,066	0	1,656	39,410
Vehicles	<u>85,196</u>	<u>0</u>	<u>23,100</u>	<u>62,096</u>
Total Capital Assets	<u>\$173,013</u>	<u>\$ 0</u>	<u>\$24,756</u>	<u>\$ 148,257</u>
Less, Accumulated Depreciation-				
Building	\$ 44,504	\$ 1,169	\$ 0	\$ 45,673
Office Furniture, Fixtures & Equipment	41,066	0	1,656	39,410
Vehicles/Equipment	<u>85,196</u>	<u>0</u>	<u>23,100</u>	<u>62,096</u>
Total Accumulated Depreciation	<u>\$ 170,766</u>	<u>\$ 1,169</u>	<u>\$24,756</u>	<u>\$ 147,178</u>
Net Capital Assets	<u>\$ 2,247</u>	<u>\$ (1,169)</u>	<u>\$ 0</u>	<u>\$ 1,079</u>

Depreciation expense was charged to the General Government function in the amount of \$1,169.

<u>Business-Type Activities</u>	<u>Balance 07-01-21</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06-30-22</u>
Capital Assets Depreciated-				
Building	\$10,465	\$0	\$0	\$10,465
Utility Systems	3,016,899	51,972	0	3,068,871
Vehicles	<u>13,330</u>	<u>0</u>	<u>0</u>	<u>13,330</u>
Total Capital Assets	<u>\$3,040,694</u>	<u>\$51,972</u>	<u>\$0</u>	<u>\$3,092,666</u>
Less, Accumulated Depreciation-				
Building	\$1,972	\$ 986	\$0	\$ 2,958
Utility Systems	1,268,513	80,164	0	1,348,677
Vehicles	<u>13,330</u>	<u>0</u>	<u>0</u>	<u>13,330</u>
Total Capital Assets	<u>\$1,283,815</u>	<u>\$81,150</u>	<u>\$0</u>	<u>\$1,364,965</u>
Net Capital Assets	<u>\$1,834,985</u>	<u>\$(29,178)</u>	<u>\$0</u>	<u>\$1,727,701</u>

Depreciation expense was charged to the Utility Fund function in the amount of \$81,150.

8. Related Parties:

The Village had no identified related party transactions for the year ended June 30, 2022.

Village of Clarence
Notes to Financial Statements
June 30, 2022

9. Accounts Payable:

The following is a summary of accounts payable at June 30, 2022:

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>
Vendors	\$ 1,653	\$15,271
Salaries Payable	3,300	0
Payroll Tax Payable	<u>19,895</u>	<u>13,159</u>
Total	<u>\$24,848</u>	<u>\$28,430</u>

For periods prior to July 1, 2018, the Village was not able to make full payroll payments to the Board of Aldermen and the Chief of Police. The Village has been making payments on these backpay amounts, but still owed a balance of \$3,300 to the Board of Aldermen at June 30, 2022.

For the periods beginning July 9, 2016, through July 1, 2018, the Village did not make proper payroll tax payments. The Village has not been able to make payments to reduce the balances. The various taxing agencies have not been taking collection action against the Village. The Village is paying all current payroll tax amounts.

10. American Rescue Plan Act of 2021:

The Village has been awarded \$179,154 in federal grant assistance from the passage of the American Rescue Plan Act of 2021. \$89,504 was received on September 14, 2021. These funds are to be used for water system repairs and improvements. \$78,235 was recognized as income and spent in the Utility System during the year. The remaining \$11,269 is recorded as Deferred Income on the Utility System Statement of Net Position.

11. Subsequent Events:

Management has evaluated events through February 23, 2023, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

12. Contingencies:

On February 5, 2020, the Village was placed under Fiscal Administration and a Fiscal Administrator was appointed in accordance with Louisiana R. S. 39:1351-1357. The Village will remain under Fiscal Administration until it can be reasonably ascertained that it is fiscally stable and expected to remain so for a period of at least two years. At June 30, 2022, the Village has negative unrestricted net position of \$3,563 in the General Fund and \$29,382 in the Utility Fund.

Beginning in the month of December 2021, the Village's water system began losing excess amounts of water due to a leak. The Village purchases its' water and the monthly payments for water increased by almost double. The Village enlisted as much help as possible in locating the leak, but was unable to do so until December of 2022. During this period, the Village's cash accounts were exhausted. The Village imposed an emergency interim rate increase in December of 2022, and it is hoped that the Village's financial health will improve for the year ended June 30, 2023.

Village of Clarence
Notes to Financial Statements
June 30, 2022

13. Risk Management:

The Village is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The Village maintains commercial insurance coverage for these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Village.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

Village of Clarence
General Fund
Budgetary Comparison Schedule
Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
REVENUES:			
Licenses & Permits	\$ 12,100	\$ 12,476	\$ 376
Taxes	61,000	65,024	4,024
Fines & Forfeits	21,000	9,340	(11,660)
Franchise Fees	11,300	17,171	5,871
Miscellaneous	<u>12,140</u>	<u>5,468</u>	<u>(6,672)</u>
 Total Revenues	 <u>\$ 117,540</u>	 <u>\$ 109,479</u>	 <u>\$ (8,061)</u>
EXPENDITURES:			
Current-			
General Government	\$ 86,825	\$ 72,111	14,714
Public Safety	<u>16,782</u>	<u>7,572</u>	<u>9,210</u>
 Total Expenditures	 <u>\$ 103,607</u>	 <u>\$ 79,683</u>	 <u>\$ 23,924</u>
 Excess (Deficiency) of Revenues over Expenditures	 <u>\$ 13,933</u>	 <u>\$ 29,796</u>	 <u>\$ 15,863</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	\$ -	\$ 3,500	\$ 3,500
Operating Transfers Out	<u>-</u>	<u>(29,566)</u>	<u>(29,566)</u>
Total Other Financing	<u>\$ -</u>	<u>\$ (26,066)</u>	<u>\$ (26,066)</u>
 Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	 <u>\$ 13,933</u>	 <u>\$ 3,730</u>	 <u>\$ (10,203)</u>
 Fund Balance-Beginning of Year	 <u>(7,293)</u>	 <u>(7,293)</u>	 <u>-</u>
 Fund Balance-End of Year	 <u>\$ 6,640</u>	 <u>\$ (3,563)</u>	 <u>\$ (10,203)</u>

See accompanying notes and independent accountant's review report.

Village of Clarence
Schedule of Compensation, Benefits and Other Payments to
Agency Head or Chief Executive Officer
For the Year Ended June 30, 2022

Agency Head Name: William Phillips, Mayor, July 1, 2021 through December 31, 2021

<u>Purpose</u>	<u>William Phillips</u>
Salary	\$2,700
Benefits-Payroll Taxes	<u>207</u>
Total	<u>\$2,907</u>

See accompanying notes and independent accountant's review report.

Justice System Funding Schedule - Collecting/Disbursing Entity

As Required by Act 87 of the 2020 Regular Legislative Session

Identifying Information		
Entity Name	Village of Clarence	
LLA Entity ID # (This is the ID number assigned to the entity by the Legislative Auditor for identification purposes.)	2356	
Date that reporting period ended (mm/dd/yyyy)	6/30/2022	
	First Six Month Period Ended 12/31/21	Second Six Month Period Ended 6/30/22
Cash Basis Presentation		
Beginning Balance of Amounts Collected (i.e. cash on hand)	-	64
Add: Collections		
Civil Fees (including refundable amounts such as garnishments or advance deposits)	-	-
Bond Fees	-	-
Asset Forfeiture/Sale	-	-
Pre-Trial Diversion Program Fees	-	-
Criminal Court Costs/Fees	-	-
Criminal Fines - Contempt	-	-
Criminal Fines - Other	4,832	4,508
Restitution	-	-
Probation/Parole/Supervision Fees	-	-
Service/Collection Fees (e.g. credit card fees, report fees, 3rd party service fees)	-	-
Interest Earnings on Collected Balances	-	-
Other (do not include collections that fit into more specific categories above)	-	-
Subtotal Collections	4,832	4,508
Less: Disbursements To Governments & Nonprofits: (Must include one agency name and one collection type on each line and may require multiple lines for the same agency if more than one collection type is applicable. Additional rows may be added as necessary.)		
North Louisiana Criminalistics	-	60
Louisiana Traumatic Head and Spinal Cord Injury	-	10
Louisiana Commission on Law Enforcement	-	4
Louisiana Judicial College	-	1
Agency name/collection type	-	-
Agency name/collection type	-	-
Less: Amounts Retained by Collecting Agency		
Collection Fee for Collecting/Disbursing to Others Based on Percentage of Collection	-	-
Collection Fee for Collecting/Disbursing to Others Based on Fixed Amount	-	-
Amounts "Self-Disbursed" to Collecting Agency -		
Criminal Fines - Other	4,832	4,434
Less: Disbursements to Individuals/3rd Party Collection or Processing Agencies		
Civil Fee Refunds	-	-
Bond Fee Refunds	-	-
Restitution Payments to Individuals (additional detail is not required)	-	-
Other Disbursements to Individuals (additional detail is not required)	-	-
Payments to 3rd Party Collection/Processing Agencies	-	-
Subtotal Disbursements/Retainage	4,832	4,509
Total: Ending Balance of Amounts Collected but not Disbursed/Retained (i.e. cash on hand)	64	-
Ending Balance of "Partial Payments" Collected but not Disbursed (only applies if collecting agency does not disburse partial payments until fully collected) - This balance is included in the Ending Balance of Amounts Collected but not Disbursed/Retained above.	-	-
Other Information:		
Ending Balance of Total Amounts Assessed but not yet Collected (i.e. receivable balance)	-	-
Total Waivers During the Fiscal Period (i.e. non-cash reduction of receivable balances, such as time served or community service)	-	-

OTHER REPORTS



KENNETH D. FOLDEN & CO.
Certified Public Accountants, LLC

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Alayna C. Huckaby, CPA
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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

Mayor and Board of Aldermen
Village of Clarence
P. O. Box 309
Clarence, Louisiana 71414

We have performed the procedures enumerated below, which were agreed to by the management of the Village of Clarence and the Legislative Auditor, State of Louisiana, (the specified parties), on the Village's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the year ended June 30, 2022, as required by Louisiana Revised Statute 24:516 and the *Louisiana Governmental Audit Guide*. The Village's management is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose

PUBLIC BID LAW

1. Obtain documentation for all expenditures made during the year for materials and supplies exceeding \$30,000, and public works exceeding \$250,000. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 36:1551-39:1755 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), whichever is applicable; and report whether the expenditures were made in accordance with these laws.

No expenditures found to be in violation.

CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

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

Management provided us with the required list including the noted information.

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

Management provided us with the requested list.

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

None of the employees included on the list provided by management for agreed-upon Procedure #3 appeared on the list provided by management for agreed-upon Procedure #2

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

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

BUDGETING

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

Management provided us with a copy of the original budget. The Budget was not amended during the year ended June 30, 2022.

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

We traced adoption of the original budget to the documentation in the minutes of the meeting of the Village's commissioners held on June 17, 2021.

8. Compare the revenues and expenditures of the final budget to actual budget revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more.

We compared the revenues and expenditures for the final budget to actual revenues and expenditures. Actual revenues and were less than the 5% variance allowed. Actual expenditures were within the 5% variance allowed, but operating transfers out were more than the 5% variance allowed.

ACCOUNTING AND REPORTING

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

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

Four of the six selected disbursements were for amounts that agree to the amount and the payee in the supporting documentation the other two disbursements did not have supporting documentation.

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

Each of the six selected disbursements were coded to the correct general ledger account.

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

The Village's policies and procedures require that either the Mayor or an appointed Alderman must approve all disbursements. Documentation supporting each of the six selected disbursements included the signature of the Alderman or Mayor. In addition, the full Village Council receives a disbursement listing at each Council meeting along with the financial statements.

MEETINGS

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

Management represented that the Village is only required to post a notice of each meeting and the accompanying agenda on the door of the Village's office building. Although management has asserted that such documents were properly posted, no evidence was provided to support management's assertion other than an unmarked copy of the notices and agendas.

DEBT

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

We scanned the general ledger for the year and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

ADVANCES AND BONUSES

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

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

STATE AUDIT LAW

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

The Village's report was originally due December 31, 2022. An extension was granted until March 31, 2023.

14. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. .8:2211, et seq.), while the agency was not in compliance with the R.S 24:513 (the audit law).

The Village awarded a contract using CDBG Funds in the amount of \$454,000 on May 12, 2022. The Village was in compliance as of that date.

PRIOR YEAR COMMENTS

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

The current and prior year review reports of the Village have been issued after the original due dates of December 31. The Village was granted extensions for both years.

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

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

Kenneth D. Folden & Co., CPAs, LLC

Kenneth D. Folden & Co., CPAs, LLC
Jonesboro, Louisiana

February 23, 2023

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Governments)**

11-15-22 (Date Transmitted)

Kenneth D. Folden & Co., CPAs, LLC
302 Eighth Street
Jonesboro, LA 71251

In connection with your audit of our financial statements as of June 30, 2022 and for year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of

11-15-22 (date completed/date of the representations).

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes () No ()

Code of Ethics for Public Officials and Public Employees

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

Yes () No ()

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

Yes () No ()

Budgeting

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

Yes () No ()

Accounting and Reporting

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

Yes () No ()

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

Yes () No ()

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

Yes () No ()

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

Yes () No ()

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

Yes (✓) No ()

Meetings

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

Yes (✓) No ()

Debt

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

Yes (✓) No ()

Advances and Bonuses

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

Yes (✓) No ()

Prior-Year Comments

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

Yes (✓) No ()

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes (✓) No ()

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

Yes (✓) No ()

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

Yes (✓) No ()

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes (✓) No ()

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes (✓) No ()

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes (✓) No ()

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

Mark D. Thomas

Fiscal Administrator Management

11-15-22

Date

N/A

Governance

Date

Village of Clarence
P. O. Box 309
Clarence, LA 71414

February 23, 2023

Kenneth D. Folden & Co.
302 Eighth Street
Jonesboro, LA 71251

Re: Agreed-Upon Procedures Report Issues

We have reviewed the comments included on the Agreed-Upon Procedures Report issued by your firm dated February 23, 2023, in connection with the Village's June 30-, 2022, financial report. The Village has instituted procedures to more closely monitor the budgeted amounts compared to actual amounts for the year ended June 30, 2023. The Village Council has amended the operating budget once for the current year and is aware that the budget should be amended again if actual amounts exceed budgeted amounts by 5% or more.

The Village is aware that the annual financial report is due within six months of the end of the fiscal year. For the year ended June 30, 2023, the Village intends to issue the report by the due date.

Sincerely,



Leslie Michelle Oglesby
Mayor